

State: Pennsylvania **Filing Company:** Continental Casualty Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.003 Other
Product Name: ILTC
Project Name/Number: PA-PS-RA20-R1/

Filing at a Glance

Company: Continental Casualty Company
Product Name: ILTC
State: Pennsylvania
TOI: LTC03I Individual Long Term Care
Sub-TOI: LTC03I.003 Other
Filing Type: Rate - Other (Not M.U. or G.I. Product)
Date Submitted: 02/09/2022
SERFF Tr Num: CNAB-133052107
SERFF Status: Closed-Approved
State Tr Num: CNAB-133052107
State Status: Approved
Co Tr Num: PA-PS-RA20-R1

Effective: On Approval
Date Requested:
Author(s): Louis Scarim, John Munro, Mallory Noble, Peter Shugart, Ashley Kushner
Reviewer(s): Michael Hibbert (primary), Jim Laverty
Disposition Date: 08/09/2022
Disposition Status: Approved
Effective Date:

State Filing Description:

Proposed 131.7% rate increase on 3,783 policyholders of forms P1-N0075-A37/-A87, P1-N0076-A37/-A87, P1-N0080-A37/-A87, P1-N0081-A37/-A87, P1-N0085-A37/-A87, P1-N0086-A37/-A87, P1-N0090-A37/-A87, P1-N0091-A37/-A87, P1-N0095-A37/-A87, P1-N0096-A37/-A87, P1-N0100-A37/-A87, and P1-N0101-A37/-A87.

State: Pennsylvania **Filing Company:** Continental Casualty Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.003 Other
Product Name: ILTC
Project Name/Number: PA-PS-RA20-R1/

General Information

Project Name: PA-PS-RA20-R1
Project Number:
Requested Filing Mode: Review & Approval
Explanation for Combination/Other:
Submission Type: New Submission
Overall Rate Impact: 65.7%
Deemer Date:
Submitted By: Peter Shugart

Status of Filing in Domicile: Pending
Date Approved in Domicile:
Domicile Status Comments: This filing was submitted in our state of domicile, Illinois, on 11/2/2021.
Market Type: Individual
Individual Market Type:
Filing Status Changed: 08/09/2022
State Status Changed: 08/09/2022
Created By: Peter Shugart
Corresponding Filing Tracking Number:
State TOI: LTC03I Individual Long Term Care

Filing Description:

Please refer to the Cover Letter in the Supporting Documentation tab.

Company and Contact

Filing Contact Information

Louis Scarim,
151 N. Franklin Street
Chicago, IL 60606

Louis.Scarim@cna.com
312-822-6179 [Phone]

Filing Company Information

Continental Casualty Company	CoCode: 20443	State of Domicile: Illinois
151 N. Franklin Street	Group Code: 218	Company Type: Property and
Chicago, IL 60606	Group Name: CNA Insurance	Casualty
(312) 822-4006 ext. [Phone]	Companies	State ID Number:
	FEIN Number: 36-2114545	

State:	Pennsylvania	Filing Company:	Continental Casualty Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.003 Other		
Product Name:	ILTC		
Project Name/Number:	PA-PS-RA20-R1/		

Filing Fees

State Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State:	Pennsylvania	Filing Company:	Continental Casualty Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.003 Other		
Product Name:	ILTC		
Project Name/Number:	PA-PS-RA20-R1/		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Michael Hibbert	08/09/2022	08/09/2022

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Disapproved	Michael Hibbert	07/29/2022	07/29/2022
Disapproved	Jim Lavery	02/27/2022	02/27/2022
Disapproved	Jim Lavery	02/25/2022	02/25/2022

Response Letters

Responded By	Created On	Date Submitted
Louis Scarim	08/08/2022	08/08/2022
Peter Shugart	05/03/2022	05/06/2022
Peter Shugart	05/06/2022	05/06/2022

SERFF Tracking #:	CNAB-133052107	State Tracking #:	CNAB-133052107	Company Tracking #:	PA-PS-RA20-R1
State:	Pennsylvania	Filing Company:	Continental Casualty Company		
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.003 Other				
Product Name:	ILTC				
Project Name/Number:	PA-PS-RA20-R1/				

Disposition

Disposition Date: 08/09/2022

Effective Date:

Status: Approved

Comment: Aug 9, 2022

Louis Scarim
Continental Casualty Company
151 N. Franklin Street
Chicago, IL 60606

RE: Proposed 131.7% rate increase on 3,783 policyholders of forms P1-N0075-A37/-A87, P1-N0076-A37/-A87, P1-N0080-A37/-A87, P1-N0081-A37/-A87, P1-N0085-A37/-A87, P1-N0086-A37/-A87, P1-N0090-A37/-A87, P1-N0091-A37/-A87, P1-N0095-A37/-A87, P1-N0096-A37/-A87, P1-N0100-A37/-A87, and P1-N0101-A37/-A87.
Pennsylvania Insurance Department ID #: CNAB-133052107

Dear Louis Scarim:

The Department approves the rates proposed on 8/8/2022 for the Preferred Solution block of policies.

Sincerely,

Michael Hibbert
Actuarial Associate
Bureau of Accident & Health Insurance

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Continental Casualty Company	65.700%	65.700%	\$7,684,743	3,783	\$11,699,352	99.900%	38.500%

Schedule Rate (revised)	Schedule Item	Schedule Item Status	Public Access
	2021 Supplement to Rate Sheets - PA Preferred Solution		Yes

State:	Pennsylvania	Filing Company:	Continental Casualty Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.003 Other		
Product Name:	ILTC		
Project Name/Number:	PA-PS-RA20-R1/		

Schedule	Schedule Item	Schedule Item Status	Public Access
Rate	2021 Supplement to Rate Sheets - PA Preferred Solution		No
Supporting Document	Transmittal Letter (A&H)		Yes
Supporting Document	Actuarial Certification (A&H)		Yes
Supporting Document	Actuarial Memorandum and Explanatory Information (A&H)		Yes
Supporting Document	Advertisements (A&H)		Yes
Supporting Document	Authorization to File (A&H)		Yes
Supporting Document	Insert Page Explanation (A&H)		Yes
Supporting Document	Rate Table (A&H)		Yes
Supporting Document	Replacement Form with Highlighted Changes (A&H)		Yes
Supporting Document	Advertisement Compliance Certification		Yes
Supporting Document	Reserve Calculation (A&H)		Yes
Supporting Document	Variability Explanation (A&H)		Yes
Supporting Document	Response to Objection Letter (2/25/2022)		Yes
Supporting Document	Response to Objection Letter (2/27/2022)		Yes
Supporting Document	Response to Objection Letter (7/29/2022) - Acceptance Letter		Yes

State: Pennsylvania **Filing Company:** Continental Casualty Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.003 Other
Product Name: ILTC
Project Name/Number: PA-PS-RA20-R1/

Objection Letter

Objection Letter Status Disapproved
Objection Letter Date 07/29/2022
Submitted Date 07/29/2022
Respond By Date

Dear Louis Scarim,

Introduction:

July 29, 2022

Louis Scarim
Continental Casualty Company
151 N. Franklin Street
Chicago, IL 60606

RE: Proposed 131.7% rate increase on 3,783 policyholders of forms P1-N0075-A37/-A87, P1-N0076-A37/-A87, P1-N0080-A37/-A87, P1-N0081-A37/-A87, P1-N0085-A37/-A87, P1-N0086-A37/-A87, P1-N0090-A37/-A87, P1-N0091-A37/-A87, P1-N0095-A37/-A87, P1-N0096-A37/-A87, P1-N0100-A37/-A87, and P1-N0101-A37/-A87.

Pennsylvania Insurance Department ID #: CNAB-133052107

Dear Louis Scarim:

The captioned filing has been reviewed by the Pennsylvania Insurance Department. It has been determined that the filing fails to meet the requirements of our Insurance Company Laws or regulations and is therefore disapproved pursuant to the authority granted under Section 304(a) of Act 134, the Accident and Health Filing Reform Act. In the event you have any questions regarding the stated concerns, please feel free to contact the Department for further clarification.

The disapproved filing may be resubmitted within 120 days of the date of disapproval. If the Department does not hear from you within 120 days, the subject filing will be permanently closed. Such filings resubmitted after 120 days must be submitted as a new filing, inclusive of appropriate filing fees and disclosure of the closed filing SERFF tracking number.

The Department cannot approve your requested increase but we can make the following offer.

1. For non-lifetime policies with standard inflation, we can approve an aggregate 36.4% increase.
2. For lifetime policies with standard inflation, we can approve an aggregate 99.9% increase.

Our current guidelines do not allow us to approve increases of greater than 30% on any policyholder in any calendar year. Please propose a series of increases staged over no more than four years such that the cumulative aggregate value of the proposed increases is equal to the approvable increase shown above and no increase on any policy in any year is greater than 30%.

Lastly, please provide a seriatim listing of the 3,783 Continental Casualty policies in this block in Excel. Each row within the worksheet must contain the policy's unique identification number, form number, issue age, issue date, inflation status indicator, benefit period, and Continental Casualty's suggested premium increase in each year of the proposed implementation period.

If Continental Casualty would like to accept our offer, then please respond with an acceptance letter and the seriatim listing.

Sincerely,

Michael Hibbert
Actuarial Associate

State: Pennsylvania **Filing Company:** Continental Casualty Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.003 Other
Product Name: ILTC
Project Name/Number: PA-PS-RA20-R1/

Bureau of Accident & Health Insurance

Conclusion:

Sincerely,
Michael Hibbert

State: Pennsylvania **Filing Company:** Continental Casualty Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.003 Other
Product Name: ILTC
Project Name/Number: PA-PS-RA20-R1/

Objection Letter

Objection Letter Status Disapproved
Objection Letter Date 02/27/2022
Submitted Date 02/27/2022
Respond By Date

Dear Louis Scarim,

Introduction:

Feb 27, 2022

Louis Scarim
Continental Casualty Company
151 N. Franklin Street
Chicago, IL 60606

RE: Proposed 131.7% rate increase on 3,783 policyholders of forms P1-N0075-A37/-A87, P1-N0076-A37/-A87, P1-N0080-A37/-A87, P1-N0081-A37/-A87, P1-N0085-A37/-A87, P1-N0086-A37/-A87, P1-N0090-A37/-A87, P1-N0091-A37/-A87, P1-N0095-A37/-A87, P1-N0096-A37/-A87, P1-N0100-A37/-A87, and P1-N0101-A37/-A87.

Pennsylvania Insurance Department ID #: CNAB-133052107

Dear Louis Scarim:

The captioned filing has been reviewed by the Pennsylvania Insurance Department. It has been determined that the filing fails to meet the requirements of our Insurance Company Laws or regulations and is therefore disapproved pursuant to the authority granted under Section 304(a) of Act 134, the Accident and Health Filing Reform Act. In the event you have any questions regarding the stated concerns, please feel free to contact the Department for further clarification.

The disapproved filing may be resubmitted within 120 days of the date of disapproval. If the Department does not hear from you within 120 days, the subject filing will be permanently closed. Such filings resubmitted after 120 days must be submitted as a new filing, inclusive of appropriate filing fees and disclosure of the closed filing SERFF tracking number.

Please furnish the following information to the Department.

1. Please provide the attachments, tables, and exhibits in this filing in an Excel workbook.

Sincerely,

James Laverty, FSA, MAAA
Actuary
Bureau of Accident & Health Insurance

Conclusion:

Sincerely,
Jim Laverty

State: Pennsylvania **Filing Company:** Continental Casualty Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.003 Other
Product Name: ILTC
Project Name/Number: PA-PS-RA20-R1/

Objection Letter

Objection Letter Status Disapproved
Objection Letter Date 02/25/2022
Submitted Date 02/25/2022
Respond By Date

Dear Louis Scarim,

Introduction:

Feb 25, 2022

Louis Scarim
Continental Casualty Company
151 N. Franklin Street
Chicago, IL 60606

RE: Proposed 131.7% rate increase on 3,783 policyholders of forms P1-N0075-A37/-A87, P1-N0076-A37/-A87, P1-N0080-A37/-A87, P1-N0081-A37/-A87, P1-N0085-A37/-A87, P1-N0086-A37/-A87, P1-N0090-A37/-A87, P1-N0091-A37/-A87, P1-N0095-A37/-A87, P1-N0096-A37/-A87, P1-N0100-A37/-A87, and P1-N0101-A37/-A87.
Pennsylvania Insurance Department ID #: CNAB-133052107

Dear Louis Scarim:

The captioned filing has been reviewed by the Pennsylvania Insurance Department. It has been determined that the filing fails to meet the requirements of our Insurance Company Laws or regulations and is therefore disapproved pursuant to the authority granted under Section 304(a) of Act 134, the Accident and Health Filing Reform Act. In the event you have any questions regarding the stated concerns, please feel free to contact the Department for further clarification.

The disapproved filing may be resubmitted within 120 days of the date of disapproval. If the Department does not hear from you within 120 days, the subject filing will be permanently closed. Such filings resubmitted after 120 days must be submitted as a new filing, inclusive of appropriate filing fees and disclosure of the closed filing SERFF tracking number.

Please furnish the following information to the Department.

1. Please provide a table in an Excel spreadsheet (perhaps similar to Exhibit 3a – Lifetime Benefits & Standard Inflation) for this nationwide block of Preferred Solution policies which shows the historical and projected nationwide earned premium and incurred claims on a calendar year basis assuming no rate increase is granted. Please restate the nationwide historical and projected earned premium so that the business from inception appears to have all been earned at the current Pennsylvania rate level. Answer this question considering only the policies represented in Exhibit 3a (i.e. Lifetime Benefits & Standard Inflation).
2. Please provide a table in an Excel spreadsheet (perhaps similar to Exhibit 3a – Lifetime Benefits & Standard Inflation) for this nationwide block of Preferred Solution policies which shows the historical and projected nationwide earned premium and incurred claims on a calendar year basis assuming no rate increase is granted. Please restate the nationwide historical and projected earned premium so that the business from inception appears to have all been earned at the original rate level. The original rate level is the rate level that would have existed if no increase was ever granted on any policy nationwide. Answer this question considering only the policies represented in Exhibit 3a (i.e. Lifetime Benefits & Standard Inflation).
3. Please provide the percent of active Preferred Solution policyholders remaining on a nationwide basis. How many Preferred Solution policies were issued nationwide? How many policies remain in force nationwide? Answer this question considering only the

State: Pennsylvania **Filing Company:** Continental Casualty Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.003 Other
Product Name: ILTC
Project Name/Number: PA-PS-RA20-R1/

policies represented in Exhibit 3a (i.e. Lifetime Benefits & Standard Inflation).

4. Please provide the cumulative weighted average increase granted on policies in force on this block in PA. Answer this question considering only the policies represented in Exhibit 3a (i.e. Lifetime Benefits & Standard Inflation).

5. Please provide a table in an Excel spreadsheet (perhaps similar to Exhibit 3b – without Lifetime Benefits & with Standard Inflation) for this nationwide block of Preferred Solution policies which shows the historical and projected nationwide earned premium and incurred claims on a calendar year basis assuming no rate increase is granted. Please restate the nationwide historical and projected earned premium so that the business from inception appears to have all been earned at the current Pennsylvania rate level. Answer this question considering only the policies represented in Exhibit 3b (i.e. without Lifetime Benefits & with Standard Inflation).

6. Please provide a table in an Excel spreadsheet (perhaps similar to Exhibit 3b – without Lifetime Benefits & with Standard Inflation) for this nationwide block of Preferred Solution policies which shows the historical and projected nationwide earned premium and incurred claims on a calendar year basis assuming no rate increase is granted. Please restate the nationwide historical and projected earned premium so that the business from inception appears to have all been earned at the original rate level. The original rate level is the rate level that would have existed if no increase was ever granted on any policy nationwide. Answer this question considering only the policies represented in Exhibit 3b (i.e. without Lifetime Benefits & with Standard Inflation).

7. Please provide the percent of active Preferred Solution policyholders remaining on a nationwide basis. How many Preferred Solution policies were issued nationwide? How many policies remain in force nationwide? Answer this question considering only the policies represented in Exhibit 3b (i.e. without Lifetime Benefits & with Standard Inflation).

8. Please provide the cumulative weighted average increase granted on policies in force on this block in PA. Answer this question considering only the policies represented in Exhibit 3b (i.e. without Lifetime Benefits & with Standard Inflation).

9. Please provide a listing of the past requested increases and approved increases by state for this block. Also include a column showing the cumulative increases approved in each state to date.

10. Please provide the letter that will be sent to policyholders to inform them of the increase and their available options.

11. How many policies with standard inflation and lifetime benefits are in force in this block? How many were issued on or after 9-15-2002?

12. How many policies with standard inflation but without lifetime benefits are in force in this block? How many were issued on or after 9-15-2002?

13. How many policies without standard inflation but with lifetime benefits are in force in this block? How many were issued on or after 9-15-2002?

14. How many policies without standard inflation and without lifetime benefits are in force in this block? How many were issued on or after 9-15-2002?

15. Please describe the inflation options available on this block.

16. Are all policies with inflation adjustment affected by this increase? If not, which categories are not affected by this increase?

17. Continental Casualty has offered the surrender option in the past. The company also offered a conversion option that provided a paid-up benefit of 100% of premium paid plus a cash payment. What is the approximate percent of policyholders that, when offered a cash surrender option, actually choose to exercise it?

State: Pennsylvania **Filing Company:** Continental Casualty Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.003 Other
Product Name: ILTC
Project Name/Number: PA-PS-RA20-R1/

18. The freeze and drop option eliminates future inflation indexing, maintains the current daily benefit, and lowers future premiums to the non-inflation level at the original issue age. What is the approximate average reduction in premium or what is the approximate range of premium reduction? An exact calculation is not required.

19. The actuarial memo states that these policies were sold nationally from 1998 through 2003. When were they sold in PA?

20. Say a policyholder can purchase \$100 a day without inflation for \$350 per annum. He can purchase the same coverage with 5% compound inflation for \$750 per year. Say he purchases the inflation coverage for an annual premium of \$750, waits a little over 9 years until his daily benefit inflates to \$155.13 per day, and then invokes the "freeze and drop" option. Would his new premium be (a) \$350, (b) $\$542.96 = (\$155.13/\$100) * (\$350)$, or (c) something else?

Sincerely,

James Laverty, FSA, MAAA
Actuary
Bureau of Accident & Health Insurance

Conclusion:

Sincerely,
Jim Laverty

SERFF Tracking #:	CNAB-133052107	State Tracking #:	CNAB-133052107	Company Tracking #:	PA-PS-RA20-R1
<hr/>					
State:	Pennsylvania		Filing Company:	Continental Casualty Company	
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.003 Other				
Product Name:	ILTC				
Project Name/Number:	PA-PS-RA20-R1/				

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	08/08/2022
Submitted Date	08/08/2022

Dear Michael Hibbert,

Introduction:

Response 1

Comments:

Please see the attached acceptance letter and supporting documents along with an update rate supplement and a post-submission update with updated rate information on the Rate/Rule tab.

Changed Items:

No Form Schedule items changed.

State: Pennsylvania Filing Company: Continental Casualty Company
 TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.003 Other
 Product Name: ILTC
 Project Name/Number: PA-PS-RA20-R1/

Rate/Rule Schedule Item Changes						
Item No.	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments	Date Submitted
1	2021 Supplement to Rate Sheets - PA Preferred Solution	P1-N0075-A37/-A87, P1-N0076-A37/-A87, P1-N0080-A37/-A87, P1-N0081-A37/-A87, P1-N0085-A37/-A87, P1-N0086-A37/-A87, P1-N0090-A37/-A87, P1-N0091-A37/-A87, P1-N0095-A37/-A87, P1-N0096-A37/-A87, P1-N0100-A37/-A87, P1-N0101-A37/-A87	Revised	Previous State Filing Number: CNAB-132184171 Percent Rate Change Request: 65.7	2021 PS Supplement to Rate Sheets - PA_v2.pdf,	08/08/2022 By: Louis Scarim
Previous Version						
1	2021 Supplement to Rate Sheets - PA Preferred Solution	P1-N0075-A37/-A87, P1-N0076-A37/-A87, P1-N0080-A37/-A87, P1-N0081-A37/-A87, P1-N0085-A37/-A87, P1-N0086-A37/-A87, P1-N0090-A37/-A87, P1-N0091-A37/-A87, P1-N0095-A37/-A87, P1-N0096-A37/-A87, P1-N0100-A37/-A87, P1-N0101-A37/-A87	Revised	Previous State Filing Number: CNAB-132184171 Percent Rate Change Request: 131.7	2021 PS Supplement to Rate Sheets & Rate Sheets - PA.pdf,	02/09/2022 By: Peter Shugart

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Letter (7/29/2022) - Acceptance Letter
Comments:	
Attachment(s):	Acceptance Letter.pdf PA Seriatim Insured - PS Final.xlsx PA Cost of Waiting Analysis - PS.pdf PS - Infl NLT - NW Equivalent LLR- 2 Year Increase.pdf

Conclusion:

Please let me know if you have any questions or need anything else. Thank you for your time and consideration.

SERFF Tracking #:	CNAB-133052107	State Tracking #:	CNAB-133052107	Company Tracking #:	PA-PS-RA20-R1
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State:	Pennsylvania	Filing Company:	Continental Casualty Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.003 Other		
Product Name:	ILTC		
Project Name/Number:	PA-PS-RA20-R1/		

Sincerely,
Louis Scarim

State:	Pennsylvania	Filing Company:	Continental Casualty Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.003 Other		
Product Name:	ILTC		
Project Name/Number:	PA-PS-RA20-R1/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/03/2022
Submitted Date	05/06/2022

Dear Michael Hibbert,

Introduction:

Response 1

Comments:

Please see the attached Excel workbooks containing the exhibits and tables submitted under the Supporting Documentation tab.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection Letter (2/27/2022)
Comments:	
Attachment(s):	2021 PS Supplement to Rate Sheets - PA.xlsx Exhibits 1a-5a (PA PS Infl LT).xlsx Exhibits 1b-5b (PA PS Infl NLT).xlsx

Conclusion:

Sincerely,
Peter Shugart

State:	Pennsylvania	Filing Company:	Continental Casualty Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.003 Other		
Product Name:	ILTC		
Project Name/Number:	PA-PS-RA20-R1/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	05/06/2022
Submitted Date	05/06/2022

Dear Michael Hibbert,

Introduction:

Response 1

Comments:

Pease see the attached response letter and supporting documents submitted on the Supporting Documentation tab.

Changed Items:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Supporting Document Schedule Item Changes

Satisfied - Item:	Response to Objection Letter (2/25/2022)
Comments:	,
Attachment(s):	Response to Objection Letter (02.25.2022) - PA PS.pdf Item 1 – Exhibit 3a_Current Pennsylvania Rate Level_v2.xlsx Item 2 – Exhibit 3a_Original Rate Level_v2.xlsx Item 5 – Exhibit 3b_Current Pennsylvania Rate Level_v2.xlsx Item 6 – Exhibit 3b_Original Rate Level_v2.xlsx Item 9 – State Status Listing - Preferred Solution (as of 05.03.2022).xlsx Item 10 – Notification_ILTC_NoRI_NW_2021 11042021.pdf Item 10 – Notification_ILTC_RI_NW_2021 11042021.pdf

Conclusion:

Sincerely,
Peter Shugart

State: Pennsylvania **Filing Company:** Continental Casualty Company
TOI/Sub-TOI: LTC03I Individual Long Term Care/LTC03I.003 Other
Product Name: ILTC
Project Name/Number: PA-PS-RA20-R1/

Post Submission Update Request Processed On 08/09/2022

Status: Allowed
Created By: Peter Shugart
Processed By: Michael Hibbert
Comments:

General Information:

Field Name	Requested Change	Prior Value
Overall Rate Impact	65.7	131.7

Company Rate Information:

Company Name:Continental Casualty Company

Field Name	Requested Change	Prior Value
Overall % Indicated Change	65.700%	131.700%
Overall % Rate Impact	65.700%	131.700%
Written Premium Change for this Program	\$7684743	\$15403221
Maximum %Change (where required)	99.900%	251.400%
Minimum %Change (where required)	38.500%	36.400%

SERFF Tracking #:	CNAB-133052107	State Tracking #:	CNAB-133052107	Company Tracking #:	PA-PS-RA20-R1
State:	Pennsylvania	Filing Company:	Continental Casualty Company		
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.003 Other				
Product Name:	ILTC				
Project Name/Number:	PA-PS-RA20-R1/				

Rate Information

Rate data applies to filing.

Filing Method:	SERFF
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	20.000%
Effective Date of Last Rate Revision:	09/01/2020
Filing Method of Last Filing:	SERFF
SERFF Tracking Number of Last Filing:	CNAB-132184171

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Continental Casualty Company	65.700%	65.700%	\$7,684,743	3,783	\$11,699,352	99.900%	38.500%

State:	Pennsylvania	Filing Company:	Continental Casualty Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.003 Other		
Product Name:	ILTC		
Project Name/Number:	PA-PS-RA20-R1/		

Rate/Rule Schedule

Item No.	Schedule Item Status	Document Name	Affected Form Numbers (Separated with commas)	Rate Action	Rate Action Information	Attachments
1		2021 Supplement to Rate Sheets - PA Preferred Solution	P1-N0075-A37/-A87, P1-N0076-A37/-A87, P1-N0080-A37/-A87, P1-N0081-A37/-A87, P1-N0085-A37/-A87, P1-N0086-A37/-A87, P1-N0090-A37/-A87, P1-N0091-A37/-A87, P1-N0095-A37/-A87, P1-N0096-A37/-A87, P1-N0100-A37/-A87, P1-N0101-A37/-A87	Revised	Previous State Filing Number: CNAB-132184171 Percent Rate Change Request: 65.7	2021 PS Supplement to Rate Sheets - PA_v2.pdf,

THIS POLICY IS FOR RENEWAL BUSINESS ONLY

**CONTINENTAL CASUALTY COMPANY
PENNSYLVANIA**

**Preferred Solution Product Portfolio
Supplement to Rate Sheets for Policy Forms:**

P1-N0075-A37/-A87	P1-N0076-A37/-A87	P1-N0080-A37/-A87	P1-N0081-A37/-A87
P1-N0085-A37/-A87	P1-N0086-A37/-A87	P1-N0090-A37/-A87	P1-N0091-A37/-A87
P1-N0095-A37/-A87	P1-N0096-A37/-A87	P1-N0100-A37/-A87	P1-N0101-A37/-A87

Rates in the above forms should be multiplied by the following factors:

Cumulative Rate Increase				
Automatic Increase Benefit Rider	Benefit Period	Year 1 Factor	Year 2 Factor	Year 3+ Factor
Inflation	Lifetime	3.030403	3.939524	4.660457
Inflation	Non-Lifetime	3.030403	3.227379	3.227379
Non-Inflation	Lifetime	1.942566	1.942566	1.942566
Non-Inflation	Non-Lifetime	1.942566	1.942566	1.942566

These amounts reflect the following prior approved and current rate increases:

Prior Approved Rate Increases				
Automatic Increase Benefit Rider	Benefit Period	Approval Date	Effective Date	Amount Approved
All	All	3/14/2013	8/1/2013	20.0%
All	All	12/3/2014	5/1/2015	25.0%
All	All	1/11/2016	7/1/2016	13.8%
All	All	1/11/2016	7/1/2017	13.8%
Inflation	All	3/19/2020	9/1/2020	20.0%

Current Rate Increase				
Automatic Increase Benefit Rider	Benefit Period	Year 1 Amount	Year 2 Amount	Year 3 Amount
Inflation	Lifetime	30.0%	30.0%	18.3%
Inflation	Non-Lifetime	30.0%	6.5%	0.0%
Non-Inflation	Lifetime	0.0%	0.0%	0.0%
Non-Inflation	Non-Lifetime	0.0%	0.0%	0.0%

State:	Pennsylvania	Filing Company:	Continental Casualty Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.003 Other		
Product Name:	ILTC		
Project Name/Number:	PA-PS-RA20-R1/		

Supporting Document Schedules

Bypassed - Item:	Transmittal Letter (A&H)
Bypass Reason:	Not applicable as this is a Rate Increase filing.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Certification (A&H)
Bypass Reason:	The Actuarial Certification can be found in the Actuarial Memorandum.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum and Explanatory Information (A&H)
Comments:	
Attachment(s):	20201231 - Cover Letter - Preferred Solution - PA.pdf 20201231 - Actuarial Memorandum - Preferred Solution - PA.pdf Exhibits 1a-5a (PA PS Infl LT).pdf Exhibits 1b-5b (PA PS Infl NLT).pdf
Item Status:	
Status Date:	

Bypassed - Item:	Advertisements (A&H)
Bypass Reason:	Not applicable as Advertisements are not included and will not be filed.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Authorization to File (A&H)
Bypass Reason:	Not applicable as the insurer is the filer.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Insert Page Explanation (A&H)
Bypass Reason:	Not applicable as this filing does not contain insert pages.
Attachment(s):	

State:	Pennsylvania	Filing Company:	Continental Casualty Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.003 Other		
Product Name:	ILTC		
Project Name/Number:	PA-PS-RA20-R1/		

Item Status:	
Status Date:	
Bypassed - Item:	Rate Table (A&H)
Bypass Reason:	Not applicable as new forms are not being submitted.
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Replacement Form with Highlighted Changes (A&H)
Bypass Reason:	Not applicable as this is not a form filing.
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Advertisement Compliance Certification
Bypass Reason:	Not applicable as this is submission does not include advertisements.
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Reserve Calculation (A&H)
Bypass Reason:	Not applicable as this is not a new form filing.
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Variability Explanation (A&H)
Bypass Reason:	Not applicable as this is not a form filing.
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Response to Objection Letter (2/25/2022)
Comments:	

State:	Pennsylvania	Filing Company:	Continental Casualty Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.003 Other		
Product Name:	ILTC		
Project Name/Number:	PA-PS-RA20-R1/		

Attachment(s):	Response to Objection Letter (02.25.2022) - PA PS.pdf Item 1 – Exhibit 3a_Current Pennsylvania Rate Level_v2.xlsx Item 2 – Exhibit 3a_Original Rate Level_v2.xlsx Item 5 – Exhibit 3b_Current Pennsylvania Rate Level_v2.xlsx Item 6 – Exhibit 3b_Original Rate Level_v2.xlsx Item 9 – State Status Listing - Preferred Solution (as of 05.03.2022).xlsx Item 10 – Notification_ILTC_NoRI_NW_2021 11042021.pdf Item 10 – Notification_ILTC_RI_NW_2021 11042021.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Response to Objection Letter (2/27/2022)
Comments:	
Attachment(s):	2021 PS Supplement to Rate Sheets - PA.xlsx Exhibits 1a-5a (PA PS Infl LT).xlsx Exhibits 1b-5b (PA PS Infl NLT).xlsx
Item Status:	
Status Date:	

Satisfied - Item:	Response to Objection Letter (7/29/2022) - Acceptance Letter
Comments:	
Attachment(s):	Acceptance Letter.pdf PA Seriatim Insured - PS Final.xlsx PA Cost of Waiting Analysis - PS.pdf PS - Infl NLT - NW Equivalent LLR- 2 Year Increase.pdf
Item Status:	
Status Date:	

State:	Pennsylvania	Filing Company:	Continental Casualty Company
TOI/Sub-TOI:	LTC03I Individual Long Term Care/LTC03I.003 Other		
Product Name:	ILTC		
Project Name/Number:	PA-PS-RA20-R1/		

Attachment Item 1 Exhibit 3a_Current Pennsylvania Rate Level_v2.xlsx is not a PDF document and cannot be reproduced here.

Attachment Item 2 Exhibit 3a_Original Rate Level_v2.xlsx is not a PDF document and cannot be reproduced here.

Attachment Item 5 Exhibit 3b_Current Pennsylvania Rate Level_v2.xlsx is not a PDF document and cannot be reproduced here.

Attachment Item 6 Exhibit 3b_Original Rate Level_v2.xlsx is not a PDF document and cannot be reproduced here.

Attachment Item 9 State Status Listing - Preferred Solution (as of 05.03.2022).xlsx is not a PDF document and cannot be reproduced here.

Attachment 2021 PS Supplement to Rate Sheets - PA.xlsx is not a PDF document and cannot be reproduced here.

Attachment Exhibits 1a-5a (PA PS Infl LT).xlsx is not a PDF document and cannot be reproduced here.

Attachment Exhibits 1b-5b (PA PS Infl NLT).xlsx is not a PDF document and cannot be reproduced here.

Attachment PA Seriatim Insured - PS Final.xlsx is not a PDF document and cannot be reproduced here.



CNA Center
151 North Franklin Street
Chicago, IL 60606

www.cna.com

December 16, 2021

Honorable Jessica K. Altman
Commissioner
Pennsylvania Insurance Department
1326 Strawberry Square
Harrisburg, PA 17120

Re: Continental Casualty Company
(NAIC #218-20443, FEIN #36-2114545)
SERFF Tracking # CNAB-133052107
Rate Increase Filing for "Preferred Solution" Individual Long Term Care Policy Forms (Simple and Compound Automatic Increase Benefit Rider Policies Only):

Coverage Type	Policy Form
Comprehensive	P1-N0080-A37/-A87
	P1-N0081-A37/-A87
	P1-N0085-A37/-A87
	P1-N0086-A37/-A87
	P1-N0095-A37/-A87
	P1-N0096-A37/-A87
	P1-N0100-A37/-A87
	P1-N0101-A37/-A87
Facility Only	P1-N0075-A37/-A87
	P1-N0076-A37/-A87
	P1-N0090-A37/-A87
	P1-N0091-A37/-A87

Dear Commissioner Altman:

Enclosed is a request for a premium rate increase for the above captioned individual long term care policy forms, including all associated riders. The rate increase is as follows:

Automatic Increase Benefit Rider	Benefit Period	Year 1 Amount	Year 2 Amount	Year 3 Amount
Inflation	Lifetime	70.0%	70.0%	21.6%
Inflation	Non-Lifetime	36.4%	0.0%	0.0%
Non-Inflation	Lifetime	0.0%	0.0%	0.0%
Non-Inflation	Non-Lifetime	0.0%	0.0%	0.0%

Please see the Supplement to Rate Sheet for details on the implementation schedule.

The proposed rate increases are required in order to establish premium rates that are reasonable in relation to benefits based on actual historical experience and best-estimate projections for these forms. The method that we used to determine the requested premium rate increase is outlined in the enclosed actuarial memorandum and supporting exhibits.

The rate increase requested is reflective of the rate relief required to restore this block of policies to a lifetime loss ratio of 100%, an actuarially appropriate level in excess of the originally priced targets. In recognition of the poor performance of the block to date, the Company is no longer seeking to restore the block to profitability, but is merely seeking to ensure the premiums collected will cover claims. As outlined in the proposed rate schedule above, the requested rate increases will be implemented over three years. In any one-year period, the Company will not implement a rate increase exceeding 70.0%.

The proposed premium rates will be effective on the insured's next anniversary date following a notification period at least as long as required by your state following approval. No insured will receive more than one rate increase in a 12-month period.

Upon approval of this rate revision, CCC will communicate to insureds their options to reduce the impact of the rate increase. These options may include increasing the elimination period, reducing the lifetime maximum, reducing the daily benefit or eliminating optional riders. Because the requested rate increase applies to policies with an AIB rider, insureds with an AIB rider who choose to drop it (i.e. Freeze and Drop) will:

- Not be subject to this AIB rate increase;
- Retain their inflated benefits as of the effective date of the coverage change; and
- Be charged an original issue age premium based on the original non-inflated benefits.

Available options will depend upon the insured's current coverage levels, benefit options available under their specific policy form, and any statutory minimum benefit levels in your state.

In addition, the Company is making a number of alternative options available for all Preferred Solution insureds in conjunction with this rate increase. The first option provides an Increased Contingent Non-Forfeiture ("ICNF") benefit upon lapse. If this benefit is elected by the insured, the insured will not have to pay prospective premium, and their remaining benefit pool amount will equate to 150% of lifetime premiums paid, capped at current remaining lifetime benefits.

The second option that is being offered to insureds is the "Surrender Option". If this option is elected by the insured, the insured will surrender their policy in return for a one-time cash payment from the Company. The amount of the one-time cash surrender payment is equal to the unisex-adjusted statutory active life reserve held for the specific insured.

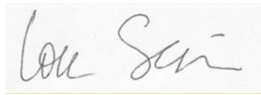
Both of the above alternative options will be offered to all Preferred Solution insureds in your state, regardless of whether or not they receive a rate increase, in order to ensure fairness within the Preferred Solution product portfolio. If a policy lapses due to non-payment of premiums without notifying the Company of the insured's intention to elect any of the above options, the insured's coverage will default to a standard 100% CNF benefit.

For states that do not approve the full requested increase, the Company anticipates that additional rate increase filings will be necessary in the near future. The exact timing of when an additional filing will be made and the amount that will be requested will be determined by the attributes of these policy forms, the Company's experience, and applicable laws and regulations.

Included with this request are the following items:

- this cover letter;
- an actuarial memorandum including supporting exhibits;
- a rate supplement page reflecting the rate increase request;

We respectfully request your favorable consideration and approval of this filing.

A handwritten signature in cursive script, appearing to read "Lou Scarim", is enclosed in a thin yellow rectangular border.

Louis Scarim, ASA, MAAA

Actuarial Consulting Director, LTC Inforce Management

(312) 822-6179

louis.scarim@cna.com

Continental Casualty Company (“CCC”)
Actuarial Memorandum
In Support of a Premium Rate Increase Request
Pennsylvania

The following “Preferred Solution” individual long term care policy forms subject to this rate increase request were originally issued nationwide from 1998 to 2003:

Coverage Type	Policy Form
Comprehensive	P1-N0080-A37/-A87
	P1-N0081-A37/-A87
	P1-N0085-A37/-A87
	P1-N0086-A37/-A87
	P1-N0095-A37/-A87
	P1-N0096-A37/-A87
	P1-N0100-A37/-A87
Facility Only	P1-N0101-A37/-A87
	P1-N0075-A37/-A87
	P1-N0076-A37/-A87
	P1-N0090-A37/-A87
	P1-N0091-A37/-A87

1. Purpose and Justification of Filing

The purpose of this memorandum is to provide actuarial information supporting CCC’s request for a rate increase for the above-listed policy forms. The rate increase request is as follows:

Automatic Increase Benefit Rider	Benefit Period	Year 1 Amount	Year 2 Amount	Year 3 Amount
Inflation	Lifetime	70.0%	70.0%	21.6%
Inflation	Non-Lifetime	36.4%	0.0%	0.0%
Non-Inflation	Lifetime	0.0%	0.0%	0.0%
Non-Inflation	Non-Lifetime	0.0%	0.0%	0.0%

Please see the Supplement to Rate Sheet for details on the implementation schedule.

The proposed rate increases are requested in order to establish premium rates that are reasonable in relation to benefits based on actual historical experience and best-estimate projections for these forms. This rate filing is not intended to be used for other purposes.

The rate increase requested is reflective of the rate relief required to restore this block of policies to a lifetime loss ratio of 100%, an actuarially appropriate level in excess of the originally priced targets. In recognition of the poor performance of the block to date, the Company is no longer seeking to restore the block to profitability, but is merely seeking to ensure the premiums collected will cover claims. As outlined in the proposed rate schedule above, the requested rate increases will be implemented over three years. In any one-year period, the Company will not implement a rate increase exceeding 70.0%. To the extent that states do not approve the requested amounts, it is the intent of management to submit follow up filings, where not otherwise limited by law or regulation, such that an actuarially equivalent increase amount is attained.

Upon approval of this rate revision, CCC will communicate to insureds their options to reduce the impact of the rate increase. These options may include increasing the elimination period, reducing the lifetime maximum, reducing the daily benefit or eliminating optional riders. Because the requested rate increase applies to policies with an AIB rider, insureds with an AIB rider who choose to drop it (i.e. Freeze and Drop) will:

- Not be subject to the AIB rate increase;
- Retain their inflated benefits as of the effective date of the coverage change; and
- Be charged an original issue age premium based on the original non-inflated benefits.

Available options will depend upon the insured's current coverage levels, benefit options available under their specific policy form, and any statutory minimum benefit levels in your state.

In addition, the Company is making a number of alternative options available for all insureds in conjunction with this rate increase. The first option provides an Increased Contingent Non-Forfeiture ("ICNF") benefit upon lapse. If this benefit is elected by the insured, the insured will not have to pay prospective premium, and their remaining benefit pool amount will equate to 150% of lifetime premiums paid, capped at current remaining lifetime benefits.

The second option that is being offered to insureds is the "Surrender Option". If this option is elected by the insured, the insured will surrender their policy in return for a one-time cash payment from the Company. The amount of the one-time cash surrender payment is equal to the unisex-adjusted statutory active life reserve held for the specific insured.

Both of the above alternative options will be offered to all insureds in your state, regardless of whether or not they receive a rate increase, in order to ensure fairness within the product portfolio. If a policy lapses due to non-payment of premiums without notifying the Company of the insured's intention to elect any of the above options, the insured's coverage will default to a standard 100% CNF benefit.

Please note:

- The proposed rate increase represents the future premium rate required to produce a 100% after-interest lifetime loss ratio;
- The requested rate increase amount is less than the amount CCC can justify; and

- CCC will continue to monitor the experience of this block and will react accordingly to experience development.

2. Description of Benefits

This rate increase applies only to Preferred Solution policies with an optional AIB rider.

- All of the forms are guaranteed renewable individual long term care policies sold through non-captive agents. These tax qualified and non-tax qualified forms provide long term care confinement and home health care benefits with lifetime limits. Benefits are limited to the policy's lifetime maximum, which is equal to the following multipliers times the facility daily benefit amount: 365x, 730x, 1,095x, 1,460x, 1,825x, or Unlimited. Benefit eligibility for the tax qualified forms requires inability to perform two or more activities of daily living or being cognitively impaired. Benefit eligibility for the non-tax qualified forms requires inability to perform two or more activities of daily living, being cognitively impaired, or medical necessity.
- Long Term Care Benefits: These policies pay the long term care daily benefit amount, as shown on insured's policy schedule, for each day of long term care confinement in a nursing home or assisted living facility, limited to the benefit lifetime maximum.
- Home Health Care Benefits: For comprehensive policy forms, this policy pays 100% of the expenses incurred for each day of care for therapist or nurse, 100% or 80% (percentage varies by form) of the expenses incurred for each day of care for home health aide, medical social worker, or homemaker, and 100% or 80% (percentage varies by form) of expenses incurred for each day of care for adult day care or alternate care facility. The total benefits payable each day for home health care benefits are limited to the daily benefit amount shown on the insured's application and are subject to the policy's benefit lifetime maximum.
- Other Benefits: The policies may include a bed reservation, waiver of premium, non-forfeiture, and alternate plan of care benefit.
- Optional Benefits: Optional riders may include survivorship, shared benefit, dual waiver of premium, and restoration of benefits.

3. Renewability

These forms provide the insured guaranteed renewable individual long term care coverage.

4. Applicability of Rate Increase

This filing applies to in-force insureds only, as these forms are no longer being marketed. The premium change will apply to the base forms and all riders associated with the base forms for policies.

5. Experience Study and Actuarial Assumptions

This section provides a summary of the results of the annual experience study, along with the resulting assumptions utilized in the projection model. The liability assumptions below are consistent with the assumptions being used in the Company's reserve adequacy and asset adequacy testing. It is noted that some actual to expected ("A/E") analysis tables in this section have A/E ratios other than 100%. In order to reduce year over year volatility, if A/E results from the experience study are within an internal target range, the assumption will not be revised from the prior year's assumption.

Morbidity Overview

CNA has a sizeable block of LTC policies with a robust and credible amount of claims experience. As such, the 2020 morbidity study used experience from 2009 to 2019 to develop frequency and severity (claim utilization, disabled life mortality, and claim recovery) assumptions. CNA assesses morbidity experience separately for the Individual Long-Term Care (ILTC), State Farm (SF), and Group Long-Term Care (GLTC) blocks of business. Furthermore, any variation in assumption by different policyholder characteristics (i.e. gender) is based on company experience where meaningful variation has existed and is expected to continue in the future.

Assumptions are set at a granular level to provide the best possible fit to experience. A dynamic validation is then performed to ensure that assumptions provide a reasonable fit in the aggregate. The dynamic validation was performed by modeling best-estimate assumptions with inforce liability data as of December 31, 2018 to see how well the assumptions would replicate actual historical experience.

For policyholders aged 85 and older, CNA has approximately over 350K exposure years and over 35K claims. For older attained ages with less credible data, CNA has set incidence, claim recovery and utilization assumptions using age bands where assumptions do not vary beyond a certain age threshold. Disabled life mortality varies by attained age and is based on a 2012 IAM mortality table for attained ages 0 to 100 and based on the maximum of 2000 Annuity and 2012 IAM for attained ages 100 and older. Impairment factors by attained age are applied to this table to account for the higher mortality rates associated with disabled lives compared to healthy lives.

Morbidity experience can vary from carrier to carrier based on policy language, claim adjudication practices and rate increase programs undertaken. None of these differences are captured in industry studies. Given the fact that CNA has credible and robust claims experience, assumptions were set entirely based on company experience and were not directly compared to industry data.

The ILTC block is past its peak number of claims so the number of new incurred claims has been slowing. GLTC is a younger block and the number of new incurred claims is expected to continue to increase over the next twenty to thirty years. Also, within the study period mentioned above, CNA has implemented ILTC and GLTC rate increases on both ILTC and GLTC, which has temporarily increased incidence due to anti-selection.

The amount of new incurred claim dollars has increased over the recent past due to increases in the cost of care. Incurred claim dollars are expected to continue to increase for both ILTC and GLTC over the near to mid-term.

CNA has granular assumptions which allows for variation in lapse rates. One variation that is worth noting is the assumption that lapse rates are expected to be lower for policies with richer benefits (i.e. policies with longer benefit periods and with contractual inflation). Therefore, as the block ages, there is an expectation that the policies that persist will naturally have longer lengths of stay with higher severity as the mix shift changes over time. Also assumed in the claim utilization assumption is an expectation of rising cost of care inflation which will also lead to higher severity of claims over time.

Claim Incidence

The frequency of claim is the probability that a healthy insured will go into disabled status, also known as 'claim incidence'. The final incidence rate that gets modeled is comprised of a base incidence table, adjustment factors based on policy features and demographics, and adjustments for policyholder behavior to rate actions.

Base Incidence Actual to Expected Analysis

The below table summarizes the results of the experience study for ILTC base incidence rates, which includes experience over the past ten years. These tables show policy experience prior to any rate increases in order to avoid distortion caused by temporary anti-selection, which is layered on separately. This explains the shrinking exposure years over time. Something of note is the Individual Long-Term Care block has undergone significant rate action initiatives over the recent past, causing limited credibility that may not be representative of nationwide experience. This experience was factored into the assumption setting process but weighted according to the exposures shown below:

Best-Estimate Incidence A/E Results Individual Long Term Care						
Calendar Year	Exposures (Years)	Actual Claims	Expected Claims	Actual Incidence Rate	Expected Incidence Rate	Actual / Expected
2010	243,073	5,206	5,503	2.14%	2.26%	95%
2011	233,060	5,325	5,750	2.28%	2.47%	93%
2012	222,734	5,666	6,075	2.54%	2.73%	93%
2013	212,130	6,017	6,196	2.84%	2.92%	97%
2014	200,678	6,395	6,343	3.19%	3.16%	101%
2015	189,684	6,923	6,396	3.65%	3.37%	108%
2016	178,602	6,590	6,395	3.69%	3.58%	103%
2017	168,277	6,858	6,509	4.08%	3.87%	105%

2018	158,506	6,735	6,480	4.25%	4.09%	104%
2019	150,028	6,522	6,617	4.35%	4.41%	99%
Total	1,956,772	62,237	62,264	3.18%	3.18%	100%

Base Incidence Assumption

The base incidence rates are single-dimensional tables that vary by attained age. These base incidence tables vary by the following:

- Whether the policy covers comprehensive or facility only benefits
- The situs of the claim (Nursing Home, Home Health Care, Assisted Living Facility)
- Gender

A sample table is shown below:

Plan Type: Comprehensive
Situs: Assisted Living Facility
Gender: Male

Attained Age	Annual Incidence Rate (%)
44 and Prior	0.0009%
45	0.0011%
46	0.0013%
47	0.0015%
...	...
55	0.0057%
56	0.0067%
57	0.0079%
...	...
65	0.0295%
66	0.0348%
67	0.0410%
...	...
75	0.1655%
76	0.1976%
77	0.2358%
...	...
85	0.9667%
86	1.1525%
87	1.3738%
88	0.9633%

89	1.6593%
90	1.8232%
91	1.4466%
92	2.1559%
...	...
95	2.7720%
96 to 120	3.0142%

Incidence Rate Adjustment Factors

There are a number of incidence rate adjustment factors that are applied to adjust the base incidence tables for various policy features. The annual experience study reviews these adjustment factors and provides updates as needed. The incidence adjustment factors are shown below:

Category	Variable/Benefit Feature	Adjustment Factor
Underwriting Class	Preferred	1.0000
	Standard	1.3082
	Substandard	1.3622
Elimination Period	0 Days	1.0000
	1-89 Days	0.8068
	90+ Days	0.8068
Benefit Period	Lifetime	1.2418
	Non-Lifetime	1.0000
Tax Status	Tax Qualified	0.8366
	Non-Tax Qualified	1.0000

Temporary Anti-Selection Overview

As part of the company's annual experience study, the relationship between premium rate actions and incidence rates were developed into an assumption set. At any time, there is a subset of policyholders that already qualify for their long term care benefits, but have not utilized the policy. When a rate increase notification is received, some of these policyholders will go on claim to avoid paying the increased premium, since their premium rates will be waived. This phenomenon is known as anti-selection or 'shock morbidity'. We are using a durational impact of 1 year and severity of 10% for ILTC. ***Future Incidence Improvement (i.e. Morbidity Improvement)***

No future incidence improvement is assumed.

Model Calibration

The morbidity assumptions are intended to reflect the best-estimate of the long term. Long-Term Care policies are complex and have multiple decrements. Assumptions are developed independently and when combined in the model, they do not always produce results that seem reasonable. Model calibration is performed when necessary to fit the model to the long term view.

A dynamic validation was performed by modeling our best-estimate assumptions with inforce liability data as of December 31, 2018 to see how well the assumptions would replicate actual historical experience in the near term. This analysis was performed separately for ILTC and GLTC. Based on how well the model ‘fits’ actual claims experience, additional incidence calibration factors may be applied. A temporary ILTC calibration factor of 1.05 starting in 2019 and linearly grading down to 1.00 by 2025 was selected to recalibrate experience such that the model fits better in the near term.

Calendar Year	Calibration Factors
2018	1.0583
2019	1.0500
2020	1.0417
2021	1.0333
2022	1.0250
2023	1.0167
2024	1.0083
2025+	1.0000

Claim Severity

In the projection system, the severity of claim is the associated length and cost of a claim once an insured becomes disabled (or is already disabled). The severity of a claim is driven by three key assumptions:

- Claim Recovery
- Benefit Utilization
- Disabled Life Mortality

A further breakdown of these three components is described below.

Recovery Overview

Once a policyholder is on claim, there is an associated probability that the policyholder will recover back in to a ‘healthy’ status prior to death or exhausting benefits. This is the recovery rate assumption in the projection model.

Recovery Actual to Expected Analysis

The below table summarizes the results of the experience study for ILTC recovery rates, which includes experience over the past seven years:

Best-Estimate Recovery A/E Results Individual Long Term Care									
Calendar Year	Actuals			Current Claims			Future Claims		
	Exposures (Years)	Actual Recoveries	Actual Recovery Rate	Expected Recoveries	Expected Recovery Rate	Actual / Expected	Expected Recoveries	Expected Recovery Rate	Actual / Expected
2015	13,645	1,437	10.5%	1,496	11.0%	96%	1,483	10.9%	97%
2016	14,228	1,498	10.5%	1,489	10.5%	101%	1,473	10.4%	102%
2017	14,699	1,441	9.8%	1,451	9.9%	99%	1,445	9.8%	100%
2018	15,003	1,415	9.4%	1,426	9.5%	99%	1,431	9.5%	99%
2019	15,113	1,519	10.1%	1,415	9.4%	107%	1,398	9.3%	109%
Total	72,688	7,310	10.1%	7,277	10.0%	101%	7,230	9.9%	101%

Recovery Assumption

The recovery tables are two-dimensional that vary by age of disability and disability duration. The first five years of the tables contain monthly rates and are annual thereafter. The recovery tables vary by the following:

- Benefit period (lifetime vs non-lifetime)
- Gender
- Presence of a restoration of benefits rider
- The situs of the claim (Nursing Home, Home Health Care, Assisted Living Facility)
- Diagnosis of the claim (for insureds currently on claim)
- Tax-qualified status (tax-qualified, not tax-qualified)
- Eliminated period (0 day, 1-89 day, 90+ day)

Insureds that are currently in claim status have a known situs of care, so the recovery rates will be different than a policy currently in healthy status, since the future claim situs is unknown.

A sample table is shown below for sample ages of disablement (rates shown are on a monthly basis):

Policyholder Status: Healthy
Benefit Period: Lifetime
Gender: Female
Restoration of Benefits: No
Situs: Nursing Home (original, since policy is healthy)
Tax-Qualified Status: Not tax-qualified
Elimination Period: 1 to 89 days

Disability Month	Disablement Age			
	65	75	85	95
1	3.35%	2.36%	1.65%	1.40%
2	6.71%	4.71%	3.30%	2.80%
3	4.96%	3.49%	2.44%	2.07%
4	3.70%	2.60%	1.82%	1.54%
5	2.86%	2.01%	1.40%	1.19%
6	1.75%	1.23%	0.86%	0.73%
7	1.15%	0.81%	0.56%	0.48%
8	0.73%	0.51%	0.36%	0.30%
9	0.52%	0.37%	0.26%	0.22%
10	0.47%	0.33%	0.23%	0.20%
11	0.43%	0.30%	0.21%	0.18%
12	0.40%	0.28%	0.19%	0.17%
...

Utilization Overview

The utilization assumption in the model for expense reimbursement policies represent the amounts, or severity, of paid claims and include components for cost of care, coverage available and the intensity of care (“health trend”). The available benefit is also considered by capping paid claims at the daily benefit amount.

Expense reimbursement refers to policies that are reimbursed up to the maximum daily benefit. They are considered separately from indemnity policies because indemnity policies pay the full maximum daily benefit. Expense reimbursement claim amounts are affected by cost of care inflation, intensity of care (referred to as “health trend”), and the amount of initial coverage purchased.

Health trends represent the intensity of care needed for claimants. Health trend is the ratio of inflation-adjusted paid claims divided by initial available benefits:

$$\text{Health Trend} = \frac{\text{Paid Claim}}{(1 + \text{CostOfCare Inflation})^{(\text{Experience Year} - \text{Issu Year})} \text{Initial Available Benefits}}$$

Indemnity policies have separate utilization assumptions from expense reimbursement policies because they pay their full available benefits and are not dependent on cost or intensity of care. Although indemnity policies pay the full maximum daily benefit, utilization rates are still below 100% because insureds are not in facilities 100% of the time. For example, if an insured is only in a facility 28 out of the 30 days in each month, then they would have a utilization rate equal to

28/30 = 93%. This is because benefit periods are based on service days and not strictly calendar days.

The utilization cost of care assumption is based on statutory valuation assumptions.

Utilization Actual to Expected Analysis

The below table summarizes the results of the experience study for ILTC utilization rates, which includes experience over the past seven years:

Best-Estimate Utilization A/E Results – All Policies Individual Long Term Care												
Calendar Year	Current Claims						Future Claims					
	Maximum Available Benefit (\$millions)	Actual Paid Claims (\$millions)	Actual Utilization Rate	Expected Paid Claims (\$millions)	Expected Utilization Rate	Actual / Expected	Maximum Available Benefit (\$millions)	Actual Paid Claims (\$millions)	Actual Utilization Rate	Expected Paid Claims (\$millions)	Expected Utilization Rate	Actual / Expected
2013	675	471	70%	461	68%	102%	675	471	70%	474	70%	99%
2014	748	518	69%	508	68%	102%	748	518	69%	523	70%	99%
2015	824	562	68%	552	67%	102%	824	652	68%	567	69%	99%
2016	909	623	69%	607	67%	103%	909	623	69%	623	69%	100%
2017	978	666	68%	649	66%	103%	978	666	68%	667	68%	100%
2018	1,052	707	67%	692	66%	102%	1,052	707	67%	712	68%	99%
2019	1,117	747	67%	732	66%	102%	1,117	747	67%	750	67%	100%
Total	6,302	4,294	68%	4,201	67%	102%	6,302	4,294	68%	4,316	68%	99%

Utilization Assumption

The health trend component of utilization tables are two-dimensional that vary by age of disability and disability duration. The first five years of the tables contain monthly rates and are annual thereafter. These tables vary by the following:

- Benefit Period (lifetime vs non-lifetime)
- Inflation type (simple, compound, none)
- Home health care percentage (0%, 1%-50%, 50%-75%, 75%+)
- The situs of the claim (Nursing Home, Home Health Care, Assisted Living Facility)
- Diagnosis of the claim (for insureds currently on claim)

In addition, the situs varies on whether the policyholder is healthy (original situs) versus disabled (current situs). A sample health trend table is shown below for sample ages of disablement (rates shown are on a monthly basis):

Insured Status: Disabled

Benefit Period: Non-Lifetime

Inflation Type: Compound

Home Health Care Percentage: N/A (since situs is not home health care)

Situs: Assisted Living Facility (current, since policy is disabled)

Payment Type: Reimbursement

Diagnosis: Other

Disability Month	Disablement Age			
	65	75	85	95
1	99%	91%	88%	90%
2	60%	66%	72%	74%
3	69%	75%	80%	85%
4	63%	65%	72%	77%
5	70%	72%	79%	82%
6	71%	75%	79%	82%
7	76%	76%	81%	85%
8	76%	77%	82%	85%
9	76%	77%	81%	83%
10	79%	77%	82%	85%
11	80%	80%	83%	86%
12	79%	80%	83%	86%
...

Cost of care tables are two-dimensional vectors that vary by calendar year and inflation type for reimbursement policies. The average cost of care is summarized below:

Cost of Care - ILTC		
Inflation Type	Historical Rate	Ultimate Rate
None	0.12%	0.53%
Simple	2.52%	2.93%
Compound	3.97%	4.38%

Disabled Life Mortality Overview

Once an insured is on claim, there is an associated probability that the insured will decrement due to death, which influences the overall length of a claim. Generally, the probability of death from a currently disabled insured is greater than the probability associated with a currently healthy insured, so separate assumptions are developed and modeled.

Disabled Life Mortality Actual to Expected Analysis

The below table summarizes the results of the experience study for ILTC disabled mortality rates, which includes experience over the past five years:

Best-Estimate Disabled Mortality A/E Results Individual Long Term Care									
Calendar Year	Actuals			Current Claims			Future Claims		
	Exposures	Disabled Deaths	Disabled Mortality Rate	Expected Disabled Deaths	Expected Disabled Mortality Rate	Actual / Expected	Expected Disabled Deaths	Expected Disabled Mortality Rate	Actual / Expected
2015	13,645	4,172	30.6%	4,008	29.4%	104%	4,013	29.4%	104%
2016	14,228	4,183	29.4%	4,196	29.5%	100%	4,197	29.5%	100%
2017	14,699	4,376	29.8%	4,359	29.7%	100%	4,363	29.7%	100%
2018	15,003	4,431	29.5%	4,460	29.7%	99%	4,478	29.8%	99%
2019	15,113	4,416	29.2%	4,531	30.0%	97%	4,544	30.0%	97%
Total	72,688	21,578	29.7%	21,554	29.7%	100%	21,595	29.7%	100%

Disabled Life Mortality Assumption

The disabled life mortality rates are two-dimensional tables that vary by age of disability and disability duration. Similar to the other severity assumptions, the first five years of the tables contain monthly rates and are annual thereafter. The disabled life mortality tables vary by the following:

- Benefit period (lifetime vs non-lifetime)
- The situs of the claim (Nursing Home, Home Health Care, Assisted Living Facility)
- Gender
- Diagnosis of the claim (for insureds currently on claim)

Insureds that are currently in claim status have a known situs of care, so the disabled life mortality rates will be different than a policy currently in healthy status, since the future claim situs is unknown.

A sample table is shown below for sample ages of disablement (rates shown are on a monthly basis):

Insured Status: Healthy

Benefit Period: Non-Lifetime

Situs: Nursing Home (original, since policy is healthy)

Gender: Male

Diagnosis: N/A (since status is healthy)

Disability Month	Disablement Age			
	65	75	85	95
1	2.14%	3.15%	3.58%	4.25%
2	2.84%	4.17%	4.74%	5.62%
3	3.07%	4.50%	5.11%	6.07%
4	3.46%	5.07%	5.76%	6.84%
5	3.07%	4.51%	5.12%	6.08%
6	2.68%	3.93%	4.47%	5.31%
7-12	2.10%	3.008%	3.50%	4.16%
13-18	1.80%	2.65%	3.05%	3.77%
19-24	1.82%	2.68%	3.08%	3.81%
25-36	2.07%	3.03%	3.53%	4.61%
37-48	2.23%	3.19%	3.76%	5.22%
49-60	2.47%	3.41%	4.06%	6.04%
...

Transitions of Situs

Following the annual claim reserve review, adjustments were made to the assumptions to account for transitions of situs. The result of these adjustments produced smoother claim development and a better fit in the dynamic validation. The following tables summarize these adjustments.

Claim Closures (Recovery & Disabled Life Mortality)									
Product	Gender	Benefit Period	1-12	13-24	25-36	37-48	49-60	61-72	>72
ILTC	Female	Unlimited	1.00	1.00	1.00	1.00	1.00	1.00	1.00
		Limited	1.00	1.00	0.80	0.80	0.90	1.00	1.00
	Male	Unlimited	1.00	1.00	1.00	1.00	1.00	1.00	0.75
		Limited	1.00	1.00	0.80	0.80	0.90	1.00	0.75

Utilization									
Product	Payment Type	Inflation Type	1-12	13-24	25-36	37-48	49-60	61-72	>72
ILTC	Exp. Inc.	C	1.20	1.20	1.20	1.20	1.20	1.20	1.20
		S	1.20	1.20	1.20	1.20	1.20	1.20	1.20
		N	1.20	1.20	1.20	1.20	1.20	1.20	1.20
	Indemnity	C	1.05	1.05	1.05	1.05	1.05	1.05	1.05
		S	1.05	1.05	1.05	1.05	1.05	1.05	1.05
		N	1.05	1.05	1.05	1.05	1.05	1.05	1.05

Persistency

In the projection system, the persistency assumptions relate to the probability that policyholders not on claim will lapse or die. Policyholder reduced benefit options are considered part of the persistency assumption and are modeled as partial lapses in the projection system. The persistency of an insured is driven by following key assumptions:

- Voluntary Lapse
- Shock Lapse and Reduced Benefit Option (“RBO”)
- Shock Mortality
- Healthy Life Mortality
- Healthy Life Mortality Improvement

A further breakdown of these components is described below.

Voluntary Lapse Overview

The voluntary lapse assumption reflects the probability associated with an insured voluntarily canceling their policy. The voluntary lapse rates differ from shock lapse rates in that the policy cancelation is not due to a rate increase notification.

Voluntary Lapse Actual to Expected Analysis

The below table summarizes the results of the experience study for ILTC voluntary lapse rates, which includes experience over the past seven years:

Best-Estimate Base Voluntary Lapse A/E Results Individual Long Term Care						
Calendar Year	Exposures (Years)	Actual Lapse	Expected Lapse	Actual Lapse Rate	Expected Lapse Rate	Actual / Expected
2013	206,775	1,879	1,678	0.91%	0.75%	112%
2014	193,954	1,703	1,458	0.88%	0.70%	117%
2015	182,172	1,403	1,283	0.77%	0.67%	109%
2016	170,825	1,250	1,145	0.73%	0.65%	109%
2017	160,433	1,045	1,039	0.65%	0.64%	101%
2018	150,258	1,059	965	0.71%	0.65%	110%
2019	140,168	857	906	0.61%	0.65%	95%
Total	1,246,574	9,197	8,474	0.76%	0.70%	109%

Voluntary Lapse Assumption

The voluntary lapse tables are one-dimensional varying by policy duration. The voluntary lapse assumptions vary by the following:

- Benefit Period (lifetime vs non-lifetime)
- Inflation Type (simple, compound, none)
- Product
- Limited Pay Adjustment

A sample voluntary lapse table is shown below:

Product: ILTC

Benefit Period: Lifetime

Inflation Type: None

Policy Duration	Base Voluntary Lapse Rate
1	7.45%
2	4.45%
3	3.45%
4	2.95%
5	2.55%
6	2.20%
7	1.90%
8	1.65%
9	1.45%
10	1.25%
11	1.05%
12	0.95%
13	0.90%
14	0.85%
15	0.80%
16+	0.75%

Shock Lapse and Reduced Benefit Option

The shock lapse and RBO assumptions are modeled as an increase in lapse rates in response to a rate increase. Shock lapse and RBO assumptions are determined by calculating the lapse rates in excess of base lapse rates during the years when a premium rate action occurs.

The assumed rates for each of these components are outlined in the below table for the ILTC product:

Rate Increase	Total Additional Lapse % from Shock and RBO*
0%	0.00%
5%	0.47%
10%	1.18%
15%	1.87%
20%	2.56%
25%	3.24%
30%	3.90%
35%	4.56%
40%	5.21%
45%	5.84%
50%	6.47%
55%	7.09%
60%	7.69%
65%	8.29%
70%	8.88%
75%	9.46%
80%	10.02%
85%	10.37%
90%	10.72%
95%	11.07%
100%	11.42%
...	...

Healthy Life Mortality Overview

The healthy life mortality assumption is the probability of death associated with currently healthy insureds.

Healthy Life Mortality Actual to Expected Analysis

The below table summarizes the results of the experience study for ILTC healthy life mortality rates, which includes experience from 2013 to 2019:

Best-Estimate Healthy Life Mortality A/E Results Individual Long Term Care						
Calendar Year	Exposures (Years)	Actual Death	Expected Death	Actual Death Rate	Expected Death Rate	Actual / Expected
2013	207,435	4,559	4,751	2.20%	2.29%	96%
2014	197,707	4,787	4,663	2.46%	2.39%	103%

2015	182,998	4,194	4,102	2.29%	2.24%	102%
2016	171,680	3,918	3,990	2.28%	2.32%	98%
2017	161,263	3,558	3,680	2.21%	2.28%	97%
2018	151,054	3,700	3,369	2.45%	2.23%	110%
2019	140,904	3,165	3,070	2.25%	2.18%	103%
Total	1,210,040	27,881	27,624	2.30%	2.28%	101%

Healthy Life Mortality Assumption

The base table for the healthy life mortality assumption is the 2012 IAM table, with additional multipliers based on company experience. There are also adjustments at higher attained ages, due to lack of credibility. At higher ages, the assumptions grade their credibility weighting from 100% of the best-estimate assumption at age 95, to 100% of the 2012 IAM tables at ages 105 and later. These base tables vary by gender and attained age. The additional multipliers to these base tables based on CCC's experience are as follows:

Category	Variable/Benefit Feature	Adjustment Factors
Attained Age	0-59	68%
	60-64	61%
	65-69	60%
	70-74	114%
	75-79	107%
	80-84	93%
	85-89	83%
	90-94	91%
Gender	Male	100%
	Female	90%
Underwriting Class	Preferred	85%
	Standard	131%
	Substandard	160%
Calendar Year	2014 and Prior	1.00
	2015	0.90
	2016	0.90
	2017	0.85
	2018	0.80
	2019	0.75
	2020	0.70
	2021	0.70
	2022	0.70

	2023	0.75
	2024	0.80
	2025	0.85
	2026	0.90
	2027	0.95
	2028+	1.00

Healthy Life Mortality Improvement

A healthy life mortality improvement factor is applied to the base healthy mortality table to reflect studies that examine the improvement of population mortality over time, based on improvement scale G2. The healthy life mortality improvement varies by gender and attained age with improvement beginning 1/1/2017 for 10 years. An example is shown below for reference:

Gender: Female

Attained Age	Annualized Improvement
<=50	1.00%
50	1.00%
60	1.30%
70	1.30%
80	1.30%
90	0.60%
100	0.20%
105	0.00%

6. Discount Rate

The inforce count-weighted average maximum statutory valuation interest rate for contract reserves of 4.50% is used to accumulate past actual experience and discount future expectations.

7. Expenses

This filing is based on loss ratios and expense levels have not been considered. Commissions are not paid on rate increase premiums.

8. Marketing Method

These policies were sold directly through non-captive agents.

9. Underwriting Description

These policy forms were fully underwritten with the use of various tools in addition to the application, which may have included medical records, an attending physician's statement, telephone interviews, and/or face-to-face assessments.

10. Premiums

Premiums are unisex and payable for life unless the insured selected a limited pay option. The premiums may vary by issue age, elimination period, benefit period / lifetime maximum, initial daily benefit amount, level of home health care coverage, inflation type, premium mode, underwriting class, marital status, and the selection of any other options or riders.

11. Modal Premium Factors

The following modal factors remain unchanged and are applied to the annual premium to obtain the modal premium.

Payment Mode	Modal Factor	Nationwide Premium Distribution at Dec. 31, 2020
Annual	1.000	56.9%
Semi-Annual	0.520	7.9%
Quarterly	0.270	17.4%
Monthly	0.090	17.8%

12. Issue Age Range

Issue ages range from 18 to 84.

13. Area Factors

Area factors are not used for these policy forms.

14. Average Annualized Premium

The average annualized premium for the policy forms subject to the rate increase request, both before and after the impact of the requested rate increase, is included in Exhibit 1.

15. Number of Insureds

The current number of insureds as of December 31, 2020 can be found in Exhibit 1.

16. Distribution of Business

The historical experience reflects the actual distribution of insureds during the experience period. The current distribution of business as of December 31, 2020 was used to project future experience. Exhibit 2 contains the distribution of the inforce insureds by key demographic and benefit characteristics.

17. Claim Liability and Reserves

Active life reserves have not been used in this rate increase analysis. Claim reserves as of December 31, 2020 have been discounted to the incurral date of each respective claim and included in historical incurred claims. Incurred but not reported reserve ("IBNR") balances and terminated but not reported reserve ("TBNR") balances as of December 31, 2020 have been allocated to a calendar year of incurral and included in historical incurred claims.

18. Trend Assumptions

As this is not medical insurance, explicit medical cost trends have not been included in the projections.

19. Experience – Past and Future

Earned premiums and incurred claims, projected through 2079 are developed from a first-principles actuarial model representing actual contracts in-force as of December 31, 2020. The assumptions described in Section 5 are used to project earned premiums and incurred claims.

Waived premiums are not included as premiums nor claims in either the actual historical or the projected future experience.

Historical results reflect earned premium by calendar year with claims captured by incurral year. That is, incurred claims for a calendar year represent all payments through December 31, 2020 for a claim incurred in a particular calendar year plus any claim reserve held as of December 31, 2020. Incurred claims also include IBNR and TBNR held as of December 31, 2020.

Exhibit 3 presents nationwide experience as described in Section 21 for all forms affected by this rate increase to ensure maximum credibility. Although we believe the state-only data is not credible on its own, we are including the state-specific experience through December 31, 2020 for reference in Exhibit 4.

Annual loss ratios are calculated, with and without interest, as incurred claims divided by earned premiums.

A lifetime loss ratio as of December 31, 2020 is calculated as the sum of accumulated past experience and discounted future expectations using the nationwide inforce count-weighted average maximum statutory valuation interest rate for contract reserves.

20. History of Rate Adjustments

See Exhibit 1 for a history of prior rate adjustments in your state.

21. Ensuring No Cross-Subsidization Between States

We have ensured no state's rate increase approvals will subsidize other states' experience. Rate increase requests will vary by state, but only to reflect the timing and amount of prior rate increases approved by that state. This is accomplished by first backing-out all prior rate increases from our nationwide premium data. We then reintroduce prior rate increases with the amount and timing based on your state's prior approvals (as referenced in Section 19). The current proposed rate increase(s) are then determined.

Although some states may have capped our previous inforce rate increase filings, it is the intention of CCC's management that subsequent filings will be submitted at a later date until an actuarially equivalent amount is achieved.

22. Requested Rate Increase and Demonstration of Satisfaction of Requirements

CCC is requesting a rate increase on the policy forms included in this filing, to be implemented over three years. The rate increase varies by benefit period and AIB rider as follows:

Automatic Increase Benefit Rider	Benefit Period	Year 1 Amount	Year 2 Amount	Year 3 Amount
Inflation	Lifetime	70.0%	70.0%	21.6%
Inflation	Non-Lifetime	36.4%	0.0%	0.0%
Non-Inflation	Lifetime	0.0%	0.0%	0.0%
Non-Inflation	Non-Lifetime	0.0%	0.0%	0.0%

Please see the Supplement to Rate Sheet for details on the implementation schedule.

Corresponding rate schedules reflecting the increase are included with this filing. Although this request is less than CCC can justify, we are limiting our rate increase request at this time. CCC will continue to monitor the experience of this block and take appropriate actions when necessary.

Upon approval of this rate revision, CCC will communicate to insureds their options to reduce the impact of the rate increase. These options may include increasing the elimination period, reducing the lifetime maximum, reducing the daily benefit or eliminating optional riders. Because the requested rate increase applies to policies with an AIB rider, insureds with an AIB rider who choose to drop it (i.e. Freeze and Drop) will:

- Not be subject to this AIB rate increase;
- Retain their inflated benefits as of the effective date of the coverage change; and
- Be charged an original issue age premium based on the original non-inflated benefits.

Available options will depend upon the insured's current coverage levels, benefit options available under their specific policy form, and any statutory minimum benefit levels in your state.

In addition, the Company is making a number of alternative options available for all insureds in conjunction with this rate increase. The first option provides an Increased Contingent Non-Forfeiture ("ICNF") benefit upon lapse. If this benefit is elected by the insured, the insured will not have to pay prospective premium, and their remaining benefit pool amount will equate to 150% of lifetime premiums paid, capped at current remaining lifetime benefits.

The second option that is being offered to insureds is the "Surrender Option". If this option is elected by the insured, the insured will surrender their policy in return for a one-time cash payment from the Company. The amount of the one-time cash surrender payment is equal to the unisex-adjusted statutory active life reserve held for the specific insured.

Both of the above alternative options will be offered to all insureds in your state, regardless of whether or not they receive a rate increase, in order to ensure fairness within the product portfolio. If a policy lapses due to non-payment of premiums without notifying the Company of the insured's intention to elect any of the above options, the insured's coverage will default to a standard 100% CNF benefit.

Note that the actual rates implemented may vary slightly from those filed due to implementation rounding algorithms.

Satisfaction of minimum required loss ratio requirements is demonstrated in Exhibit 1. This approach shows that with the requested rate increase, the expected lifetime loss ratio exceeds the minimum loss ratio requirement.

Exhibit 5 included with this memorandum provides a demonstration that the requested rate increase meets the 58/85 test required by your state's rate stability regulation.

The historical and future projected incurred claims in the 58/85 test were increased by 10% from the best estimate projections to reflect assumptions that include moderately adverse conditions (equates to a 10% deterioration in the lifetime loss ratio). Present and accumulated values in the demonstration are determined at the average maximum valuation interest rate for contract reserves over the issue period.

Because The Company is limiting the rate increase request, we cannot certify that the rates with the full requested rate increase will be sufficient under moderately adverse conditions.

23. Proposed Effective Date

The rate increase will apply to policies on their next anniversary date following a notification period at least as long as required by your state following approval. No insured will receive more than one increase in a 12-month period.

24. Actuarial Certification

I am an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries. I meet the Academy's qualification standards to render this actuarial opinion and am familiar with the filing requirements for long term care insurance premium and rate increases.

This memorandum has been prepared in conformity with all applicable Actuarial Standards of Practice ("ASOP"), including, but not limited to, the following:

- ASOP 7, "Analysis of Life, Health, or Property/Casualty Insurer Cash Flows";
- ASOP 8, "Regulatory Filings for Health Benefits, Accident and Health Insurance, and Entities Providing Health Benefits";
- ASOP 18, "Long Term Care Insurance";
- ASOP 23, "Data Quality"; and
- ASOP 41, "Actuarial Communications".

I have relied upon policy and claim information extracts, as of December 31, 2020, which contain a seriatim listing of all insureds covered under CCC Long Term Care insurance contracts. I have also relied upon associated paid premium extracts providing details of payment dates and amounts. I have also relied upon associated paid claim extracts providing details by claim regarding payment dates, service dates, benefit types and payment amounts. This information was provided by CCC's Long Term Care Operations team in partnership with our Third Party Administrator.

I have relied upon statutory reserves as of December 31, 2020, for Claims Reserves, Incurred but Not Reported reserves, and Terminated but Not Reported Reserves, provided by CCC's Long Term Care Finance and Reserving team.

I have relied upon actuarial assumptions developed by CCC's Long Term Care Projections and Experience Studies team, which develops assumptions primarily for asset and reserve adequacy analysis, under the direction of the opining actuary, John Munro, FSA, MAAA, who approved those assumptions in collaboration with other CCC Long Term Care actuaries, including Inforce Management actuaries. These assumptions present the actuary's best judgement, as of December 31, 2020. We have reviewed these assumptions for reasonableness and consistency for use in this filing.

I have reviewed and considered the policy design and benefits, as well as the company's underwriting and claims adjudication processes, when developing the filed rates.

I hereby certify that, to the best of my knowledge and judgement, this rate filing is in compliance with the applicable laws and regulations of your state. In my opinion, the actuarial assumptions are appropriate and the rates are neither excessive nor unfairly discriminatory.

Because the company is limiting the rate increase request we cannot certify that the rates with the full requested rate increase will be sufficient under moderately adverse conditions.



Louis Scarim, ASA, MAAA
Actuarial Consulting Director, LTC Inforce Management
(312) 822-6179
louis.scarim@cna.com

Date: **December 16, 2021**

25. Exhibit Listing

- Exhibit 1: State-Specific Information
- Exhibit 2: Distribution of Inforce Insureds
- Exhibit 3: Nationwide Experience and Projections
- Exhibit 4: State-Specific Experience and Projections
- Exhibit 5: Nationwide 58/85 Test

Exhibit 1a
Continental Casualty Company
Preferred Solution - Policy Forms with Lifetime Benefits & Standard Inflation
State Specific Information
Pennsylvania

12) Average Annualized Premium as of 12/31/2020

	Nationwide
Without Increase	\$3,517
With Increase	\$12,356

Pennsylvania
\$3,718
\$13,061

13) Insured Count and Premium as of 12/31/2020

Insureds Eligible for Rate Increase

	Nationwide
Insureds Not on Claim	15,513
Insureds on Claim	841
Total Insureds	16,354
2020 Annualized Premium	\$57,520,312

Pennsylvania
1,334
60
1,394
\$5,182,983

Insureds Not Eligible for Rate Increase

	Nationwide
Non-Forfeiture Insureds Not on Claim	843
Non-Forfeiture Insureds on Claim	2
Paid-Up Limited Pay Insureds Not on Claim	298
Paid-Up Limited Pay Insureds on Claim	19
Total Non-Forfeiture and Paid-Up Insureds	1,162

Pennsylvania
23
0
0
0
23

18) History of Rate Adjustments

SERFF Number	Approval Date
MILL-128738273	3/14/2013
MILL-129666536	12/3/2014
MILL-130055810	1/11/2016
CNAB-132184171	3/19/2020

Rate Increase Approved
20.0%
25.0%
29.5%*
20.0%

*Phased in over two years with 13.8% in year 1 and 13.8% in year 2**

20) Satisfaction of Minimum Loss Ratio Requirements

1) Expected Lifetime Loss Ratio with Increase	100%
2) Minimum Required Loss Ratio	60%
Is 1) Greater than 2)?	Yes

Exhibit 2a
Continental Casualty Company
Preferred Solution - Policy Forms with Lifetime Benefits & Standard Inflation
Distribution of Inforce Insureds Eligible for Rate Increase
Pennsylvania

		Nationwide				Pennsylvania			
		Count	% of Count	Premium	% of Premium	Count	% of Count	Premium	% of Premium
Issue Year	1987	0	0%	\$0	0%	0	0%	\$0	0%
	1988	0	0%	\$0	0%	0	0%	\$0	0%
	1989	0	0%	\$0	0%	0	0%	\$0	0%
	1990	0	0%	\$0	0%	0	0%	\$0	0%
	1991	0	0%	\$0	0%	0	0%	\$0	0%
	1992	0	0%	\$0	0%	0	0%	\$0	0%
	1993	0	0%	\$0	0%	0	0%	\$0	0%
	1994	0	0%	\$0	0%	0	0%	\$0	0%
	1995	0	0%	\$0	0%	0	0%	\$0	0%
	1996	0	0%	\$0	0%	0	0%	\$0	0%
	1997	0	0%	\$0	0%	0	0%	\$0	0%
	1998	28	0%	\$104,357	0%	0	0%	\$0	0%
	1999	1,931	12%	\$6,733,606	12%	154	11%	\$585,908	11%
	2000	3,364	21%	\$11,798,827	21%	258	19%	\$928,764	18%
	2001	4,171	26%	\$14,900,103	26%	321	23%	\$1,184,600	23%
	2002	5,130	31%	\$17,840,191	31%	514	37%	\$1,901,036	37%
	2003	1,730	11%	\$6,143,229	11%	147	11%	\$582,675	11%
	2004	0	0%	\$0	0%	0	0%	\$0	0%
	2005	0	0%	\$0	0%	0	0%	\$0	0%
	2006	0	0%	\$0	0%	0	0%	\$0	0%
	2007	0	0%	\$0	0%	0	0%	\$0	0%
	2008	0	0%	\$0	0%	0	0%	\$0	0%
	2009	0	0%	\$0	0%	0	0%	\$0	0%
	2010	0	0%	\$0	0%	0	0%	\$0	0%
	2011	0	0%	\$0	0%	0	0%	\$0	0%
	2012	0	0%	\$0	0%	0	0%	\$0	0%
	2013	0	0%	\$0	0%	0	0%	\$0	0%
	2014	0	0%	\$0	0%	0	0%	\$0	0%
	2015	0	0%	\$0	0%	0	0%	\$0	0%
	2016	0	0%	\$0	0%	0	0%	\$0	0%
	2017	0	0%	\$0	0%	0	0%	\$0	0%
	2018	0	0%	\$0	0%	0	0%	\$0	0%
	Total	16,354	100%	\$57,520,312	100%	1,394	100%	\$5,182,983	100%
Issue Age	<35	97	1%	\$213,636	0%	9	1%	\$17,733	0%
	35-39	222	1%	\$526,069	1%	15	1%	\$33,538	1%
	40-44	838	5%	\$1,954,895	3%	74	5%	\$179,361	3%
	45-49	2,399	15%	\$6,267,423	11%	226	16%	\$583,373	11%
	50-54	4,527	28%	\$13,969,988	24%	380	27%	\$1,213,750	23%
	55-59	4,735	29%	\$17,259,116	30%	398	29%	\$1,576,114	30%
	60-64	2,582	16%	\$11,775,692	20%	223	16%	\$1,141,148	22%
	65-69	827	5%	\$4,541,698	8%	57	4%	\$338,227	7%
	70-74	117	1%	\$882,469	2%	11	1%	\$82,648	2%
	75-79	10	0%	\$129,326	0%	1	0%	\$17,091	0%
	80+	0	0%	\$0	0%	0	0%	\$0	0%
	Total	16,354	100%	\$57,520,312	100%	1,394	100%	\$5,182,983	100%
Attained Age	<45	19	0%	\$43,707	0%	0	0%	\$0	0%
	45-49	24	0%	\$60,363	0%	4	0%	\$7,811	0%
	50-54	93	1%	\$206,092	0%	9	1%	\$19,564	0%
	55-59	327	2%	\$751,387	1%	24	2%	\$57,585	1%
	60-64	1,062	6%	\$2,607,383	5%	93	7%	\$240,560	5%
	65-69	2,646	16%	\$7,248,090	13%	242	17%	\$667,410	13%
	70-74	4,945	30%	\$15,631,079	27%	422	30%	\$1,374,435	27%
	75-79	4,353	27%	\$16,566,440	29%	358	26%	\$1,464,327	28%
	80-84	2,114	13%	\$9,872,682	17%	189	14%	\$1,014,638	20%
	85-89	671	4%	\$3,720,480	6%	42	3%	\$251,711	5%
	90+	100	1%	\$812,611	1%	11	1%	\$84,942	2%
	Total	16,354	100%	\$57,520,312	100%	1,394	100%	\$5,182,983	100%
Gender	Male	6,581	40%	\$23,606,920	41%	574	41%	\$2,178,176	42%
	Female	9,773	60%	\$33,913,393	59%	820	59%	\$3,004,808	58%
	Total	16,354	100%	\$57,520,312	100%	1,394	100%	\$5,182,983	100%
Inflation Type	None	0	0%	\$0	0%	0	0%	\$0	0%
	Simple	4,399	27%	\$14,928,144	26%	387	28%	\$1,327,292	26%
	Compound	11,955	73%	\$42,592,168	74%	1,007	72%	\$3,855,692	74%
	Total	16,354	100%	\$57,520,312	100%	1,394	100%	\$5,182,983	100%
Tax Status	TQ	15,043	92%	\$52,909,832	92%	1,214	87%	\$4,512,987	87%
	NTQ	1,311	8%	\$4,610,481	8%	180	13%	\$669,996	13%
	Total	16,354	100%	\$57,520,312	100%	1,394	100%	\$5,182,983	100%
Max Benefit	Lifetime	16,354	100%	\$57,520,312	100%	1,394	100%	\$5,182,983	100%
	Not Lifetime	0	0%	\$0	0%	0	0%	\$0	0%
	Total	16,354	100%	\$57,520,312	100%	1,394	100%	\$5,182,983	100%
Cov Type	Facility Only	546	3%	\$1,478,329	3%	40	3%	\$130,211	3%
	Comprehensive	15,808	97%	\$56,041,984	97%	1,354	97%	\$5,052,773	97%
	Total	16,354	100%	\$57,520,312	100%	1,394	100%	\$5,182,983	100%

Exhibit 3a
Continental Casualty Company
Preferred Solution - Policy Forms with Lifetime Benefits & Standard Inflation
Nationwide Historical and Projected Experience Restated with Approved Pennsylvania Rate Increases

Year	Without Rate Increase				With 251.3% Cumulative Rate Increase			
	Earned Premium	Incurred Claims	Annual Loss Ratio	Cumulative Loss Ratio	Earned Premium	Incurred Claims	Annual Loss Ratio	Cumulative Loss Ratio
Historical								
1988	-	-	0%	0%	-	-	0%	0%
1989	-	-	0%	0%	-	-	0%	0%
1990	-	-	0%	0%	-	-	0%	0%
1991	-	-	0%	0%	-	-	0%	0%
1992	-	-	0%	0%	-	-	0%	0%
1993	-	-	0%	0%	-	-	0%	0%
1994	-	-	0%	0%	-	-	0%	0%
1995	-	-	0%	0%	-	-	0%	0%
1996	-	-	0%	0%	-	-	0%	0%
1997	-	-	0%	0%	-	-	0%	0%
1998	(1,770)	-	0%	0%	(1,770)	-	0%	0%
1999	2,858,856	809	0%	0%	2,858,856	809	0%	0%
2000	14,867,439	1,116,290	8%	6%	14,867,439	1,116,290	8%	6%
2001	28,733,717	1,283,527	4%	5%	28,733,717	1,283,527	4%	5%
2002	45,609,667	3,896,754	9%	7%	45,609,667	3,896,754	9%	7%
2003	58,198,920	4,115,339	7%	7%	58,198,920	4,115,339	7%	7%
2004	55,145,105	6,582,864	12%	8%	55,145,105	6,582,864	12%	8%
2005	53,756,604	8,477,243	16%	10%	53,756,604	8,477,243	16%	10%
2006	49,169,441	11,032,313	22%	12%	49,169,441	11,032,313	22%	12%
2007	49,546,944	7,476,236	15%	12%	49,546,944	7,476,236	15%	12%
2008	48,370,628	14,949,307	31%	15%	48,370,628	14,949,307	31%	15%
2009	46,893,415	13,422,894	29%	16%	46,893,415	13,422,894	29%	16%
2010	45,471,064	15,888,198	35%	18%	45,471,064	15,888,198	35%	18%
2011	44,249,535	21,199,675	48%	20%	44,249,535	21,199,675	48%	20%
2012	42,039,903	25,298,619	60%	23%	42,039,903	25,298,619	60%	23%
2013	43,032,495	32,955,390	77%	27%	43,032,495	32,955,390	77%	27%
2014	46,261,570	40,406,019	87%	31%	46,261,570	40,406,019	87%	31%
2015	50,769,263	50,544,853	100%	36%	50,769,263	50,544,853	100%	36%
2016	55,017,530	56,853,747	103%	40%	55,017,530	56,853,747	103%	40%
2017	59,684,109	65,066,621	109%	45%	59,684,109	65,066,621	109%	45%
2018	59,974,481	72,982,520	122%	50%	59,974,481	72,982,520	122%	50%
2019	53,843,272	61,106,711	113%	54%	53,843,272	61,106,711	113%	54%
2020	55,246,734	64,862,023	117%	57%	55,246,734	64,862,023	117%	57%
Total Actual	1,008,738,921	579,517,951	57%	57%	1,008,738,921	579,517,951	57%	57%
Projected								
2021	63,833,717	88,759,328	139%	62%	63,833,717	88,759,328	139%	62%
2022	61,242,700	91,389,504	149%	67%	68,576,734	94,254,748	137%	67%
2023	58,532,630	103,094,499	176%	72%	98,295,514	97,829,086	100%	69%
2024	55,705,366	115,295,156	207%	78%	134,261,708	96,138,826	72%	70%
2025	52,742,727	127,667,089	242%	85%	147,438,054	103,424,322	70%	70%
2026	49,663,277	140,588,641	283%	92%	140,944,945	113,577,027	81%	71%
2027	46,474,898	153,991,370	331%	100%	131,896,289	124,404,659	94%	72%
2028	43,203,042	167,087,399	387%	109%	122,610,725	134,984,518	110%	75%
2029	39,866,392	179,168,621	449%	118%	113,141,274	144,744,547	128%	78%
2030	36,548,689	189,961,764	520%	128%	103,725,597	153,463,980	148%	81%
2031	33,294,548	199,147,922	598%	138%	94,490,307	160,885,181	170%	85%
2032	30,127,757	206,641,785	686%	148%	85,502,917	166,939,230	195%	89%
2033	27,074,567	212,228,389	784%	159%	76,837,930	171,452,468	223%	93%
2034	24,158,331	215,249,542	891%	170%	68,561,617	173,893,160	254%	98%
2035	21,398,818	215,360,958	1006%	181%	60,730,088	173,983,169	286%	102%
2036	18,813,494	212,462,337	1129%	191%	53,392,911	171,641,467	321%	107%
2037	16,416,389	207,089,886	1261%	202%	46,589,898	167,301,236	359%	111%
2038	14,215,110	199,597,476	1404%	212%	40,342,644	161,248,360	400%	116%
2039	12,215,002	190,203,747	1557%	221%	34,666,315	153,659,470	443%	120%
2040	10,417,032	179,161,167	1720%	230%	29,563,655	144,738,526	490%	124%
2041	8,816,631	166,751,097	1891%	239%	25,022,268	134,712,831	538%	128%
2042	7,407,532	153,429,414	2071%	247%	21,022,661	123,950,673	590%	131%
2043	6,177,422	139,634,163	2260%	254%	17,531,595	112,805,934	643%	134%
2044	5,114,107	125,597,862	2456%	260%	14,513,893	101,466,460	699%	137%
2045	4,204,767	111,783,452	2658%	266%	11,933,177	90,306,244	757%	140%
2046	3,434,312	98,552,922	2870%	271%	9,746,615	79,617,726	817%	142%
2047	2,787,638	86,186,736	3092%	275%	7,911,349	69,627,483	880%	144%
2048	2,249,178	74,706,638	3322%	279%	6,383,192	60,353,082	945%	146%
2049	1,804,017	64,191,957	3558%	283%	5,119,819	51,858,610	1013%	148%
2050	1,439,140	54,594,238	3794%	286%	4,084,295	44,104,923	1080%	149%
2051	1,142,149	46,006,645	4028%	288%	3,241,431	37,167,284	1147%	150%
2052	902,192	38,492,457	4267%	290%	2,560,430	31,096,814	1215%	151%
2053	709,577	31,980,525	4507%	292%	2,013,788	25,836,034	1283%	152%
2054	555,877	26,384,080	4746%	293%	1,577,586	21,314,847	1351%	153%
2055	433,902	21,637,617	4987%	294%	1,231,420	17,480,333	1420%	153%
2056	337,702	17,652,669	5227%	295%	958,401	14,261,022	1488%	154%
2057	262,189	14,343,688	5471%	296%	744,095	11,587,803	1557%	154%
2058	203,282	11,595,702	5704%	297%	576,918	9,367,793	1624%	154%
2059	157,542	9,349,455	5935%	297%	447,107	7,553,123	1689%	155%
2060	122,057	7,526,279	6166%	297%	346,401	6,080,238	1755%	155%
2061	94,615	6,037,746	6381%	298%	268,519	4,877,700	1817%	155%
2062	73,426	4,855,163	6612%	298%	208,383	3,922,330	1882%	155%
2063	57,098	3,905,021	6839%	298%	162,043	3,154,741	1947%	155%
2064	44,496	3,161,135	7104%	298%	126,280	2,553,779	2022%	155%
2065	34,740	2,566,190	7387%	299%	98,591	2,073,142	2103%	155%
2066	27,196	2,088,489	7680%	299%	77,181	1,687,223	2186%	155%
2067	21,332	1,707,235	8003%	299%	60,540	1,379,220	2278%	155%
2068	16,737	1,402,656	8380%	299%	47,501	1,133,161	2386%	155%
2069	13,132	1,155,143	8796%	299%	37,269	933,203	2504%	155%
2070	10,285	950,940	9246%	299%	29,190	768,234	2632%	155%
2071	8,035	779,080	9697%	299%	22,802	629,393	2760%	155%
2072	6,246	638,827	10227%	299%	17,727	516,088	2911%	156%
2073	4,817	516,407	10721%	299%	13,671	417,189	3052%	156%
2074	3,689	413,710	11214%	299%	10,470	334,223	3192%	156%
2075	2,804	332,369	11852%	299%	7,958	268,510	3374%	156%
2076	2,105	262,440	12470%	299%	5,973	212,017	3550%	156%
2077	1,560	204,179	13092%	299%	4,426	164,950	3727%	156%
2078	1,137	156,183	13735%	299%	3,227	126,175	3910%	156%
2079	815	115,269	14150%	299%	2,312	93,122	4028%	156%
Total Projected	764,630,161	4,725,792,358	618%	618%	1,853,573,344	3,873,116,964	209%	209%
Total Lifetime	1,773,369,082	5,305,310,308	299%	299%	2,862,312,265	4,452,634,915	156%	156%
Values Accumulated/Discounted to 12/31/2020 at Maximum Statutory Valuation Interest Rates								
Past	1,609,647,096	752,964,200	47%	47%	1,609,647,096	752,964,200	47%	47%
Future	549,651,343	2,560,367,754	466%	466%	1,263,611,837	2,120,069,620	168%	168%
Lifetime	2,159,298,439	3,313,331,954	153%	153%	2,873,258,933	2,873,033,819	100%	100%

Exhibit 4a
Continental Casualty Company
Preferred Solution - Policy Forms with Lifetime Benefits & Standard Inflation
Pennsylvania Specific Experience and Projections

Year	Without Rate Increase				With 251.3% Cumulative Rate Increase			
	Earned Premium	Incurred Claims	Annual Loss Ratio	Cumulative Loss Ratio	Earned Premium	Incurred Claims	Annual Loss Ratio	Cumulative Loss Ratio
Historical								
1988	-	-	0%	0%	-	-	0%	0%
1989	-	-	0%	0%	-	-	0%	0%
1990	-	-	0%	0%	-	-	0%	0%
1991	-	-	0%	0%	-	-	0%	0%
1992	-	-	0%	0%	-	-	0%	0%
1993	-	-	0%	0%	-	-	0%	0%
1994	-	-	0%	0%	-	-	0%	0%
1995	-	-	0%	0%	-	-	0%	0%
1996	-	-	0%	0%	-	-	0%	0%
1997	-	-	0%	0%	-	-	0%	0%
1998	-	-	0%	0%	-	-	0%	0%
1999	123,952	-	0%	0%	123,952	-	0%	0%
2000	834,772	339,164	41%	35%	834,772	339,164	41%	35%
2001	1,690,280	247,271	15%	22%	1,690,280	247,271	15%	22%
2002	2,848,065	320,309	11%	16%	2,848,065	320,309	11%	16%
2003	3,947,766	272,692	7%	12%	3,947,766	272,692	7%	12%
2004	3,830,861	460,822	12%	12%	3,830,861	460,822	12%	12%
2005	3,803,053	455,407	12%	12%	3,803,053	455,407	12%	12%
2006	3,552,150	811,117	23%	14%	3,552,150	811,117	23%	14%
2007	3,558,283	517,403	15%	14%	3,558,283	517,403	15%	14%
2008	3,476,185	573,498	16%	14%	3,476,185	573,498	16%	14%
2009	3,408,195	795,521	23%	15%	3,408,195	795,521	23%	15%
2010	3,318,488	863,245	26%	16%	3,318,488	863,245	26%	16%
2011	3,250,695	1,306,970	40%	18%	3,250,695	1,306,970	40%	18%
2012	3,130,026	900,435	29%	19%	3,130,026	900,435	29%	19%
2013	3,120,651	1,405,265	45%	21%	3,120,651	1,405,265	45%	21%
2014	3,465,784	1,461,635	42%	23%	3,465,784	1,461,635	42%	23%
2015	3,660,074	1,866,601	51%	25%	3,660,074	1,866,601	51%	25%
2016	4,179,793	4,490,053	107%	31%	4,179,793	4,490,053	107%	31%
2017	4,553,261	3,694,409	81%	35%	4,553,261	3,694,409	81%	35%
2018	4,833,546	6,150,982	127%	42%	4,833,546	6,150,982	127%	42%
2019	4,671,680	3,559,915	76%	44%	4,671,680	3,559,915	76%	44%
2020	4,569,752	7,259,306	159%	51%	4,569,752	7,259,306	159%	51%
Total Actual	73,827,312	37,752,018	51%	51%	73,827,312	37,752,018	51%	51%
Projected								
2021	5,331,866	7,214,308	135%	57%	5,331,866	7,214,308	135%	57%
2022	5,125,347	7,474,162	146%	62%	5,739,126	7,708,492	134%	62%
2023	4,907,889	8,477,378	173%	68%	8,241,958	8,044,407	98%	65%
2024	4,676,642	9,537,330	204%	75%	11,271,696	7,952,699	71%	66%
2025	4,432,229	10,595,637	239%	82%	12,389,941	8,583,626	69%	66%
2026	4,176,967	11,704,109	280%	91%	11,854,280	9,455,372	80%	67%
2027	3,911,460	12,811,989	328%	99%	11,100,768	10,350,393	93%	69%
2028	3,637,799	13,905,042	382%	109%	10,324,116	11,233,435	109%	72%
2029	3,358,192	14,907,462	444%	119%	9,530,588	12,043,258	126%	75%
2030	3,079,523	15,801,272	513%	129%	8,739,720	12,765,338	146%	79%
2031	2,805,513	16,568,665	591%	140%	7,962,078	13,385,290	168%	83%
2032	2,538,367	17,163,904	676%	151%	7,203,916	13,866,165	192%	87%
2033	2,280,468	17,614,070	772%	162%	6,471,993	14,229,839	220%	92%
2034	2,034,290	17,839,995	877%	174%	5,773,337	14,412,356	250%	97%
2035	1,801,407	17,845,658	991%	185%	5,112,414	14,416,932	282%	101%
2036	1,583,142	17,595,615	1111%	197%	4,492,975	14,214,929	316%	106%
2037	1,381,092	17,135,554	1241%	208%	3,919,555	13,843,261	353%	111%
2038	1,195,905	16,531,725	1382%	218%	3,393,992	13,355,447	394%	115%
2039	1,027,827	15,792,217	1536%	229%	2,916,984	12,758,022	437%	119%
2040	876,702	14,939,730	1704%	238%	2,488,090	12,069,325	485%	124%
2041	742,193	14,010,493	1888%	247%	2,106,353	11,318,626	537%	128%
2042	623,867	12,987,189	2082%	256%	1,770,540	10,491,931	593%	131%
2043	520,601	11,932,307	2292%	264%	1,477,471	9,639,726	652%	135%
2044	431,286	10,805,689	2505%	271%	1,223,993	8,729,567	713%	138%
2045	354,808	9,676,855	2727%	277%	1,006,949	7,817,619	776%	141%
2046	289,945	8,560,165	2952%	283%	822,868	6,915,481	840%	143%
2047	235,476	7,506,848	3188%	288%	668,284	6,064,541	907%	146%
2048	190,080	6,515,524	3428%	292%	539,449	5,263,681	976%	148%
2049	152,464	5,596,728	3671%	296%	432,695	4,521,416	1045%	149%
2050	121,508	4,756,198	3914%	299%	344,842	3,842,379	1114%	151%
2051	96,185	3,990,996	4149%	302%	272,975	3,224,197	1181%	152%
2052	75,664	3,319,472	4387%	304%	214,736	2,681,694	1249%	153%
2053	59,202	2,730,064	4611%	306%	168,015	2,205,531	1313%	154%
2054	46,074	2,227,786	4835%	307%	130,759	1,799,756	1376%	154%
2055	35,712	1,800,541	5042%	309%	101,352	1,454,599	1435%	155%
2056	27,599	1,457,988	5283%	309%	78,327	1,177,862	1504%	156%
2057	21,275	1,183,537	5563%	310%	60,378	956,141	1584%	156%
2058	16,357	963,475	5890%	311%	46,422	778,361	1677%	156%
2059	12,553	790,258	6295%	312%	35,627	638,424	1792%	156%
2060	9,617	652,660	6787%	312%	27,293	527,263	1932%	157%
2061	7,362	540,606	7343%	312%	20,893	436,738	2090%	157%
2062	5,627	445,590	7919%	313%	15,970	359,978	2254%	157%
2063	4,289	361,901	8438%	313%	12,172	292,368	2402%	157%
2064	3,265	291,312	8923%	313%	9,266	235,342	2540%	157%
2065	2,474	232,075	9379%	313%	7,023	187,486	2670%	157%
2066	1,865	183,674	9849%	313%	5,293	148,384	2804%	157%
2067	1,395	144,835	10385%	313%	3,958	117,007	2956%	157%
2068	1,028	112,364	10931%	314%	2,917	90,775	3112%	157%
2069	746	84,786	11366%	314%	2,117	68,496	3235%	157%
2070	533	61,813	11596%	314%	1,513	49,937	3301%	157%
2071	372	42,383	11386%	314%	1,056	34,240	3241%	157%
2072	253	27,097	10715%	314%	718	21,891	3050%	157%
2073	167	16,755	10009%	314%	475	13,536	2849%	157%
2074	108	10,067	9353%	314%	305	8,132	2662%	157%
2075	67	5,856	8762%	314%	190	4,731	2494%	157%
2076	40	3,307	8273%	314%	113	2,672	2355%	157%
2077	23	1,815	7896%	314%	65	1,467	2248%	157%
2078	13	960	7564%	314%	36	776	2153%	157%
2079	7	487	7216%	314%	19	393	2054%	158%
Total Projected	64,254,727	395,488,278	616%	616%	155,872,818	324,026,036	208%	208%
Total Lifetime	138,082,039	433,240,296	314%	314%	229,700,130	361,778,054	158%	158%
Values Accumulated/Discounted to 12/31/2020 at Maximum Statutory Valuation Interest Rates								
Past	115,458,140	48,189,451	42%	42%	115,458,140	48,189,451	42%	42%
Future	46,169,696	213,403,112	462%	462%	106,235,453	176,624,153	166%	166%
Lifetime	161,627,836	261,592,563	162%	162%	221,693,593	224,813,604	101%	101%

Exhibit 5a
Continental Casualty Company
Preferred Solution - Policy Forms with Lifetime Benefits & Standard Inflation
Nationwide 58/85 Test with Increase
Nationwide Historical and Projected Premiums Restated with Approved Pennsylvania Rate Increases

1	Accumulated value of initial earned premium	1,429,972,023	x	58%	=	829,383,773
2a	Accumulated value of earned premium	1,609,647,096				
2b	Accumulated value of prior premium rate schedule increases (2a - 1)	179,675,074	x	85%	=	152,723,813
3	Present value of future projected initial earned premium	235,792,650	x	58%	=	136,759,737
4a	Present value of future projected premium	1,263,611,837				
4b	Present value of future projected premium in excess of the projected initial earned premiums (4a - 3)	1,027,819,186	x	85%	=	873,646,308
5	Lifetime Earned Premium Times Prescribed Factors: Sum of 1, 2b, 3, and 4b					1,992,513,631
6a	Accumulated value of incurred claims without the inclusion of active life reserves					828,260,620
6b	Present value of future projected incurred claims without the inclusion of active life reserves					2,332,076,582
7	Lifetime Incurred Claims with Rate Increase: Sum of 6a and 6b					3,160,337,201
8	Test: 7 is not less than 5					TRUE

All values are accumulated or discounted at the average maximum valuation interest rate for contract reserves which is a constant 4.5%.
The incurred claims (items 6a and 6b) were increased by 10% to reflect moderately adverse experience.

Exhibit 1b
Continental Casualty Company
Preferred Solution - Policy Forms without Lifetime Benefits & with Standard Inflation
State Specific Information
Pennsylvania

12) Average Annualized Premium as of 12/31/2020

	Nationwide
Without Increase	\$2,495
With Increase	\$3,403

Pennsylvania
\$2,728
\$3,720

13) Insured Count and Premium as of 12/31/2020

Insureds Eligible for Rate Increase

	Nationwide
Insureds Not on Claim	24,298
Insureds on Claim	1,357
Total Insureds	25,655
2020 Annualized Premium	\$64,018,134

Pennsylvania
2,299
90
2,389
\$6,516,369

Insureds Not Eligible for Rate Increase

	Nationwide
Non-Forfeiture Insureds Not on Claim	1,652
Non-Forfeiture Insureds on Claim	13
Paid-Up Limited Pay Insureds Not on Claim	236
Paid-Up Limited Pay Insureds on Claim	5
Total Non-Forfeiture and Paid-Up Insureds	1,906

Pennsylvania
62
1
0
0
63

18) History of Rate Adjustments

SERFF Number	Approval Date
MILL-128738273	3/14/2013
MILL-129666536	12/3/2014
MILL-130055810	1/11/2016
CNAB-132184171	3/19/2020

Rate Increase Approved
20.0%
25.0%
29.5%*
20.0%

*Phased in over two years with 13.8% in year 1 and 13.8% in year 2**

20) Satisfaction of Minimum Loss Ratio Requirements

1) Expected Lifetime Loss Ratio with Increase	100%
2) Minimum Required Loss Ratio	60%
Is 1) Greater than 2)?	Yes

Exhibit 2b
Continental Casualty Company
Preferred Solution - Policy Forms without Lifetime Benefits & with Standard Inflation
Distribution of Inforce Insureds Eligible for Rate Increase
Pennsylvania

		Nationwide				Pennsylvania			
		Count	% of Count	Premium	% of Premium	Count	% of Count	Premium	% of Premium
Issue Year	1987	0	0%	\$0	0%	0	0%	\$0	0%
	1988	0	0%	\$0	0%	0	0%	\$0	0%
	1989	0	0%	\$0	0%	0	0%	\$0	0%
	1990	0	0%	\$0	0%	0	0%	\$0	0%
	1991	0	0%	\$0	0%	0	0%	\$0	0%
	1992	0	0%	\$0	0%	0	0%	\$0	0%
	1993	0	0%	\$0	0%	0	0%	\$0	0%
	1994	0	0%	\$0	0%	0	0%	\$0	0%
	1995	0	0%	\$0	0%	0	0%	\$0	0%
	1996	0	0%	\$0	0%	0	0%	\$0	0%
	1997	0	0%	\$0	0%	0	0%	\$0	0%
	1998	42	0%	\$116,316	0%	2	0%	\$6,807	0%
	1999	2,863	11%	\$7,055,398	11%	215	9%	\$588,226	9%
	2000	5,320	21%	\$12,731,693	20%	458	19%	\$1,112,297	17%
	2001	6,783	26%	\$16,912,449	26%	574	24%	\$1,592,442	24%
	2002	8,141	32%	\$20,798,069	32%	856	36%	\$2,387,378	37%
	2003	2,506	10%	\$6,404,210	10%	284	12%	\$829,218	13%
	2004	0	0%	\$0	0%	0	0%	\$0	0%
	2005	0	0%	\$0	0%	0	0%	\$0	0%
	2006	0	0%	\$0	0%	0	0%	\$0	0%
	2007	0	0%	\$0	0%	0	0%	\$0	0%
	2008	0	0%	\$0	0%	0	0%	\$0	0%
	2009	0	0%	\$0	0%	0	0%	\$0	0%
	2010	0	0%	\$0	0%	0	0%	\$0	0%
	2011	0	0%	\$0	0%	0	0%	\$0	0%
	2012	0	0%	\$0	0%	0	0%	\$0	0%
	2013	0	0%	\$0	0%	0	0%	\$0	0%
	2014	0	0%	\$0	0%	0	0%	\$0	0%
	2015	0	0%	\$0	0%	0	0%	\$0	0%
	2016	0	0%	\$0	0%	0	0%	\$0	0%
	2017	0	0%	\$0	0%	0	0%	\$0	0%
	2018	0	0%	\$0	0%	0	0%	\$0	0%
Total		25,655	100%	\$64,018,134	100%	2,389	100%	\$6,516,369	100%
Issue Age	<35	43	0%	\$60,234	0%	6	0%	\$7,936	0%
	35-39	103	0%	\$149,546	0%	9	0%	\$15,438	0%
	40-44	433	2%	\$687,582	1%	38	2%	\$60,379	1%
	45-49	1,671	7%	\$2,878,172	4%	138	6%	\$249,512	4%
	50-54	4,761	19%	\$9,258,767	14%	421	18%	\$868,528	13%
	55-59	8,149	32%	\$19,093,284	30%	789	33%	\$1,946,943	30%
	60-64	6,544	26%	\$18,167,481	28%	648	27%	\$1,960,121	30%
	65-69	3,171	12%	\$10,410,302	16%	265	11%	\$979,890	15%
	70-74	711	3%	\$2,948,524	5%	68	3%	\$366,308	6%
	75-79	67	0%	\$351,506	1%	7	0%	\$61,316	1%
	80+	2	0%	\$12,737	0%	0	0%	\$0	0%
	Total	25,655	100%	\$64,018,134	100%	2,389	100%	\$6,516,369	100%
Attained Age	<45	1	0%	\$1,746	0%	0	0%	\$0	0%
	45-49	10	0%	\$12,484	0%	1	0%	\$995	0%
	50-54	49	0%	\$71,206	0%	7	0%	\$10,964	0%
	55-59	156	1%	\$238,664	0%	14	1%	\$23,448	0%
	60-64	592	2%	\$981,503	2%	53	2%	\$87,944	1%
	65-69	2,122	8%	\$3,865,171	6%	204	9%	\$390,502	6%
	70-74	5,739	22%	\$11,681,077	18%	532	22%	\$1,181,896	18%
	75-79	7,989	31%	\$19,418,381	30%	745	31%	\$1,916,025	29%
	80-84	5,846	23%	\$16,607,801	26%	573	24%	\$1,796,325	28%
	85-89	2,579	10%	\$8,723,354	14%	210	9%	\$809,182	12%
	90+	572	2%	\$2,416,747	4%	50	2%	\$299,088	5%
	Total	25,655	100%	\$64,018,134	100%	2,389	100%	\$6,516,369	100%
Gender	Male	10,721	42%	\$27,199,190	42%	1,016	43%	\$2,849,144	44%
	Female	14,934	58%	\$36,818,944	58%	1,373	57%	\$3,667,224	56%
	Total	25,655	100%	\$64,018,134	100%	2,389	100%	\$6,516,369	100%
Inflation Type	None	0	0%	\$0	0%	0	0%	\$0	0%
	Simple	8,002	31%	\$21,416,574	33%	1,109	46%	\$2,876,216	44%
	Compound	17,653	69%	\$42,601,560	67%	1,280	54%	\$3,640,153	56%
	Total	25,655	100%	\$64,018,134	100%	2,389	100%	\$6,516,369	100%
Tax Status	TQ	24,039	94%	\$59,598,623	93%	2,168	91%	\$5,811,561	89%
	NTQ	1,616	6%	\$4,419,512	7%	221	9%	\$704,808	11%
	Total	25,655	100%	\$64,018,134	100%	2,389	100%	\$6,516,369	100%
Max Benefit	Lifetime	0	0%	\$0	0%	0	0%	\$0	0%
	Not Lifetime	25,655	100%	\$64,018,134	100%	2,389	100%	\$6,516,369	100%
	Total	25,655	100%	\$64,018,134	100%	2,389	100%	\$6,516,369	100%
Cov Type	Facility Only	926	4%	\$1,890,387	3%	60	3%	\$146,313	2%
	Comprehensive	24,729	96%	\$62,127,747	97%	2,329	97%	\$6,370,056	98%
	Total	25,655	100%	\$64,018,134	100%	2,389	100%	\$6,516,369	100%

Exhibit 3b
Continental Casualty Company
Preferred Solution - Policy Forms without Lifetime Benefits & with Standard Inflation
Nationwide Historical and Projected Experience Restated with Approved Pennsylvania Rate Increases

Year	Without Rate Increase				With 36.4% Cumulative Rate Increase			
	Earned Premium	Incurred Claims	Annual Loss Ratio	Cumulative Loss Ratio	Earned Premium	Incurred Claims	Annual Loss Ratio	Cumulative Loss Ratio
Historical								
1988	-	-	0%	0%	-	-	0%	0%
1989	-	-	0%	0%	-	-	0%	0%
1990	-	-	0%	0%	-	-	0%	0%
1991	-	-	0%	0%	-	-	0%	0%
1992	-	-	0%	0%	-	-	0%	0%
1993	-	-	0%	0%	-	-	0%	0%
1994	-	-	0%	0%	-	-	0%	0%
1995	-	-	0%	0%	-	-	0%	0%
1996	-	-	0%	0%	-	-	0%	0%
1997	-	-	0%	0%	-	-	0%	0%
1998	(3,742)	-	0%	0%	(3,742)	-	0%	0%
1999	3,983,360	4,279	0%	0%	3,983,360	4,279	0%	0%
2000	20,913,973	204,107	1%	1%	20,913,973	204,107	1%	1%
2001	40,769,070	1,702,916	4%	3%	40,769,070	1,702,916	4%	3%
2002	64,119,316	2,570,387	4%	3%	64,119,316	2,570,387	4%	3%
2003	81,028,574	3,257,423	4%	4%	81,028,574	3,257,423	4%	4%
2004	76,558,619	5,595,628	7%	5%	76,558,619	5,595,628	7%	5%
2005	74,945,399	5,733,395	8%	5%	74,945,399	5,733,395	8%	5%
2006	68,653,858	10,869,924	16%	7%	68,653,858	10,869,924	16%	7%
2007	68,940,619	12,299,060	18%	8%	68,940,619	12,299,060	18%	8%
2008	67,031,727	18,443,523	28%	11%	67,031,727	18,443,523	28%	11%
2009	64,757,728	19,049,895	29%	13%	64,757,728	19,049,895	29%	13%
2010	62,621,129	25,339,417	40%	15%	62,621,129	25,339,417	40%	15%
2011	60,725,379	29,679,648	49%	18%	60,725,379	29,679,648	49%	18%
2012	57,989,795	38,260,719	66%	21%	57,989,795	38,260,719	66%	21%
2013	59,496,701	44,532,709	75%	25%	59,496,701	44,532,709	75%	25%
2014	62,451,276	58,535,292	94%	30%	62,451,276	58,535,292	94%	30%
2015	67,167,199	60,895,321	91%	34%	67,167,199	60,895,321	91%	34%
2016	71,411,311	72,876,949	102%	38%	71,411,311	72,876,949	102%	38%
2017	75,668,271	72,646,546	96%	42%	75,668,271	72,646,546	96%	42%
2018	74,394,322	75,929,873	102%	46%	74,394,322	75,929,873	102%	46%
2019	66,413,715	79,340,235	119%	49%	66,413,715	79,340,235	119%	49%
2020	65,873,405	89,862,744	136%	54%	65,873,405	89,862,744	136%	54%
Total Actual	1,355,911,002	727,629,991	54%	54%	1,355,911,002	727,629,991	54%	54%
Projected								
2021	75,125,355	96,816,443	129%	58%	75,125,355	96,816,443	129%	58%
2022	71,219,180	97,785,076	137%	61%	75,663,677	101,711,245	134%	61%
2023	67,201,678	108,024,524	161%	66%	85,436,362	108,638,049	127%	65%
2024	62,992,251	118,134,593	188%	70%	81,876,441	112,594,081	138%	69%
2025	58,690,371	127,783,322	218%	75%	76,284,918	121,790,284	160%	73%
2026	54,322,647	137,275,220	253%	81%	70,607,811	130,837,012	185%	77%
2027	49,910,312	146,389,186	293%	87%	64,872,721	139,523,533	215%	82%
2028	45,474,300	154,320,872	339%	93%	59,106,855	147,083,223	249%	87%
2029	41,066,485	160,812,202	391%	100%	53,377,639	153,079,490	287%	92%
2030	36,811,518	165,214,591	449%	106%	47,847,093	157,466,027	329%	98%
2031	32,766,893	168,071,240	513%	113%	42,589,946	160,188,699	376%	103%
2032	28,950,023	169,053,472	584%	120%	37,628,832	161,124,864	428%	109%
2033	25,385,779	168,133,384	662%	127%	32,996,078	160,247,928	486%	115%
2034	22,084,336	165,034,186	747%	134%	28,704,910	157,294,082	548%	120%
2035	19,056,590	159,702,974	838%	140%	24,769,487	152,212,905	615%	126%
2036	16,309,591	152,386,789	934%	146%	21,198,976	145,239,849	685%	131%
2037	13,842,620	143,578,503	1037%	152%	17,992,442	136,844,671	761%	136%
2038	11,647,055	133,628,686	1147%	158%	15,138,678	127,361,500	841%	141%
2039	9,712,623	122,653,946	1263%	163%	12,624,331	116,901,476	926%	145%
2040	8,027,866	111,028,133	1383%	168%	10,434,507	105,820,914	1014%	149%
2041	6,577,317	99,215,492	1508%	172%	8,549,105	94,562,285	1106%	153%
2042	5,341,929	87,582,331	1640%	176%	6,943,364	83,474,720	1202%	156%
2043	4,300,226	76,362,564	1776%	179%	5,589,374	72,781,160	1302%	159%
2044	3,431,270	65,646,576	1913%	182%	4,459,916	62,567,751	1403%	161%
2045	2,715,517	55,699,632	2051%	184%	3,529,590	53,087,319	1504%	163%
2046	2,132,832	46,853,355	2197%	186%	2,772,225	44,655,933	1611%	165%
2047	1,663,378	39,149,284	2354%	188%	2,162,035	37,313,183	1726%	166%
2048	1,288,854	32,471,079	2519%	189%	1,675,235	30,948,186	1847%	168%
2049	992,768	26,724,948	2692%	190%	1,290,386	25,471,548	1974%	169%
2050	760,639	21,803,242	2866%	191%	988,927	20,780,670	2101%	169%
2051	580,677	17,686,342	3046%	192%	754,756	16,856,853	2233%	170%
2052	441,692	14,296,934	3237%	193%	574,105	13,626,408	2374%	171%
2053	335,106	11,521,338	3438%	193%	435,566	10,980,987	2521%	171%
2054	253,736	9,273,867	3655%	194%	329,803	8,838,923	2680%	171%
2055	191,791	7,450,699	3885%	194%	249,287	7,101,262	2849%	172%
2056	144,759	5,964,433	4120%	194%	188,155	5,684,701	3021%	172%
2057	109,166	4,767,517	4367%	194%	141,892	4,543,920	3202%	172%
2058	82,270	3,807,406	4628%	195%	106,933	3,628,839	3394%	172%
2059	61,962	3,039,130	4905%	195%	80,537	2,896,595	3597%	172%
2060	46,661	2,431,495	5211%	195%	60,649	2,317,458	3821%	173%
2061	35,127	1,947,644	5545%	195%	45,657	1,856,299	4066%	173%
2062	26,425	1,558,376	5897%	195%	34,347	1,485,288	4324%	173%
2063	19,850	1,240,357	6249%	195%	25,800	1,182,184	4582%	173%
2064	14,886	976,415	6559%	195%	19,348	930,621	4810%	173%
2065	11,134	759,169	6818%	195%	14,472	723,564	5000%	173%
2066	8,303	582,264	7013%	195%	10,792	554,956	5142%	173%
2067	6,171	441,510	7155%	195%	8,021	420,803	5246%	173%
2068	4,577	332,791	7271%	195%	5,949	317,183	5332%	173%
2069	3,394	250,097	7369%	195%	4,411	238,367	5404%	173%
2070	2,513	188,456	7498%	195%	3,267	179,617	5498%	173%
2071	1,855	139,285	7508%	195%	2,411	132,753	5505%	173%
2072	1,368	98,505	7202%	195%	1,778	93,885	5281%	173%
2073	1,005	67,655	6732%	195%	1,306	64,482	4936%	173%
2074	735	45,892	6240%	195%	956	43,740	4576%	173%
2075	535	30,861	5771%	195%	695	29,414	4232%	173%
2076	385	20,614	5350%	195%	501	19,648	3923%	173%
2077	275	13,713	4991%	195%	357	13,070	3660%	173%
2078	193	8,964	4651%	195%	251	8,544	3411%	173%
2079	132	5,642	4267%	195%	172	5,378	3129%	173%
Total Projected	782,189,083	3,446,083,221	441%	441%	975,359,392	3,303,194,773	339%	339%
Total Lifetime	2,138,100,085	4,173,713,212	195%	195%	2,331,270,394	4,030,824,764	173%	173%
Values Accumulated/Discounted to 12/31/2020 at Maximum Statutory Valuation Interest Rates								
Past	2,186,955,177	940,075,654	43%	43%	2,186,955,177	940,075,654	43%	43%
Future	581,948,998	2,042,419,598	351%	351%	716,858,471	1,964,128,394	274%	274%
Lifetime	2,768,904,175	2,982,495,252	108%	108%	2,903,813,648	2,904,204,048	100%	100%

Exhibit 4b
Continental Casualty Company
Preferred Solution - Policy Forms without Lifetime Benefits & with Standard Inflation
Pennsylvania Specific Experience and Projections

Year	Without Rate Increase				With 36.4% Cumulative Rate Increase			
	Earned Premium	Incurred Claims	Annual Loss Ratio	Cumulative Loss Ratio	Earned Premium	Incurred Claims	Annual Loss Ratio	Cumulative Loss Ratio
Historical								
1988	-	-	0%	0%	-	-	0%	0%
1989	-	-	0%	0%	-	-	0%	0%
1990	-	-	0%	0%	-	-	0%	0%
1991	-	-	0%	0%	-	-	0%	0%
1992	-	-	0%	0%	-	-	0%	0%
1993	-	-	0%	0%	-	-	0%	0%
1994	-	-	0%	0%	-	-	0%	0%
1995	-	-	0%	0%	-	-	0%	0%
1996	-	-	0%	0%	-	-	0%	0%
1997	-	-	0%	0%	-	-	0%	0%
1998	-	-	0%	0%	-	-	0%	0%
1999	182,933	-	0%	0%	182,933	-	0%	0%
2000	1,192,983	-	0%	0%	1,192,983	-	0%	0%
2001	2,537,623	-	0%	0%	2,537,623	-	0%	0%
2002	4,509,484	74,287	2%	1%	4,509,484	74,287	2%	1%
2003	6,066,873	179,601	3%	2%	6,066,873	179,601	3%	2%
2004	5,847,784	36,043	1%	1%	5,847,784	36,043	1%	1%
2005	5,769,814	78,975	1%	1%	5,769,814	78,975	1%	1%
2006	5,377,823	300,866	6%	2%	5,377,823	300,866	6%	2%
2007	5,357,005	422,198	8%	3%	5,357,005	422,198	8%	3%
2008	5,243,529	1,421,733	27%	6%	5,243,529	1,421,733	27%	6%
2009	5,121,553	878,469	17%	7%	5,121,553	878,469	17%	7%
2010	4,995,921	1,087,376	22%	9%	4,995,921	1,087,376	22%	9%
2011	4,886,221	1,771,235	36%	11%	4,886,221	1,771,235	36%	11%
2012	4,742,190	1,883,261	40%	13%	4,742,190	1,883,261	40%	13%
2013	4,675,951	3,538,389	76%	18%	4,675,951	3,538,389	76%	18%
2014	5,065,456	4,626,614	91%	23%	5,065,456	4,626,614	91%	23%
2015	5,190,965	3,661,555	71%	26%	5,190,965	3,661,555	71%	26%
2016	5,712,490	4,120,331	72%	29%	5,712,490	4,120,331	72%	29%
2017	6,004,561	4,602,746	77%	32%	6,004,561	4,602,746	77%	32%
2018	6,238,364	4,386,596	70%	35%	6,238,364	4,386,596	70%	35%
2019	5,956,226	4,548,540	76%	37%	5,956,226	4,548,540	76%	37%
2020	5,651,869	7,433,351	132%	42%	5,651,869	7,433,351	132%	42%
Total Actual	106,327,618	45,052,165	42%	42%	106,327,618	45,052,165	42%	42%
Projected								
2021	6,519,162	8,182,929	126%	47%	6,519,162	8,182,929	126%	47%
2022	6,187,262	8,285,001	134%	52%	6,575,121	8,617,652	131%	52%
2023	5,858,919	9,179,846	157%	57%	7,448,694	9,231,983	124%	56%
2024	5,485,430	10,066,039	184%	62%	7,129,884	9,593,941	135%	60%
2025	5,119,005	10,922,121	213%	68%	6,653,611	10,409,874	156%	65%
2026	4,745,943	11,762,097	248%	74%	6,168,710	11,210,455	182%	70%
2027	4,369,567	12,560,136	287%	80%	5,679,501	11,971,065	211%	75%
2028	3,986,413	13,248,905	332%	87%	5,181,483	12,627,532	244%	80%
2029	3,605,533	13,783,335	382%	94%	4,686,421	13,136,897	280%	86%
2030	3,236,271	14,171,807	438%	101%	4,206,460	13,507,150	321%	92%
2031	2,884,175	14,398,048	499%	108%	3,748,810	13,722,779	366%	98%
2032	2,551,408	14,470,807	567%	116%	3,316,285	13,792,127	416%	104%
2033	2,239,921	14,373,351	642%	123%	2,911,418	13,699,240	471%	110%
2034	1,950,486	14,089,241	722%	130%	2,535,214	13,428,456	530%	116%
2035	1,684,420	13,601,488	807%	137%	2,189,386	12,963,578	592%	122%
2036	1,442,481	12,960,923	899%	143%	1,874,916	12,353,056	659%	127%
2037	1,224,850	12,200,203	996%	150%	1,592,043	11,628,013	730%	133%
2038	1,031,068	11,347,134	1101%	155%	1,340,168	10,814,954	807%	138%
2039	860,275	10,406,324	1210%	161%	1,118,173	9,918,268	887%	142%
2040	711,493	9,404,024	1322%	165%	924,789	8,962,975	969%	146%
2041	583,582	8,392,572	1438%	170%	758,531	7,998,960	1055%	150%
2042	474,612	7,400,719	1559%	173%	616,894	7,053,625	1143%	153%
2043	382,655	6,441,950	1683%	177%	497,369	6,139,822	1234%	156%
2044	305,979	5,534,243	1809%	180%	397,707	5,274,687	1326%	158%
2045	242,812	4,700,125	1936%	182%	315,604	4,479,689	1419%	160%
2046	191,348	3,967,604	2073%	184%	248,712	3,781,524	1520%	162%
2047	149,800	3,332,415	2225%	186%	194,708	3,176,124	1631%	164%
2048	116,582	2,777,174	2382%	187%	151,532	2,646,925	1747%	165%
2049	90,287	2,299,422	2547%	189%	117,353	2,191,579	1868%	166%
2050	69,680	1,895,251	2720%	190%	90,570	1,806,364	1994%	167%
2051	53,663	1,564,698	2916%	191%	69,751	1,491,314	2138%	167%
2052	41,282	1,297,061	3142%	191%	53,658	1,236,229	2304%	168%
2053	31,739	1,081,863	3409%	192%	41,254	1,031,124	2499%	169%
2054	24,410	907,222	3717%	192%	31,728	864,674	2725%	169%
2055	18,770	760,838	4054%	193%	24,396	725,155	2972%	169%
2056	14,435	636,854	4412%	193%	18,762	606,986	3235%	170%
2057	11,116	530,983	4777%	193%	14,449	506,080	3503%	170%
2058	8,571	444,408	5185%	194%	11,141	423,565	3802%	170%
2059	6,609	371,727	5625%	194%	8,590	354,293	4125%	170%
2060	5,083	308,455	6069%	194%	6,607	293,989	4450%	170%
2061	3,896	255,469	6558%	194%	5,063	243,488	4809%	171%
2062	2,970	210,358	7084%	194%	3,860	200,492	5194%	171%
2063	2,245	170,580	7597%	194%	2,918	162,580	5571%	171%
2064	1,678	135,135	8053%	194%	2,181	128,797	5905%	171%
2065	1,237	103,624	8375%	194%	1,608	98,764	6141%	171%
2066	898	77,871	8674%	194%	1,167	74,219	6360%	171%
2067	640	57,236	8944%	195%	832	54,552	6558%	171%
2068	447	39,798	8912%	195%	580	37,931	6535%	171%
2069	303	26,322	8674%	195%	394	25,088	6360%	171%
2070	201	16,855	8390%	195%	261	16,065	6152%	171%
2071	129	10,460	8096%	195%	168	9,969	5936%	171%
2072	81	6,272	7786%	195%	105	5,978	5709%	171%
2073	49	3,644	7500%	195%	63	3,473	5499%	171%
2074	28	2,045	7227%	195%	37	1,949	5299%	171%
2075	16	1,102	6927%	195%	21	1,050	5079%	171%
2076	9	567	6602%	195%	11	540	4841%	171%
2077	4	278	6274%	195%	6	265	4600%	171%
2078	2	127	5779%	195%	3	121	4238%	171%
2079	1	53	5140%	195%	1	51	3769%	171%
Total Projected	68,531,930	295,177,142	431%	431%	85,488,844	282,921,003	331%	331%
Total Lifetime	174,859,548	340,229,307	195%	195%	191,816,462	327,973,167	171%	171%
Values Accumulated/Discounted to 12/31/2020 at Maximum Statutory Valuation Interest Rates								
Past	168,845,962	56,690,789	34%	34%	168,845,962	56,690,789	34%	34%
Future	50,893,226	174,466,324	343%	343%	62,715,943	167,766,791	268%	268%
Lifetime	219,739,188	231,157,113	105%	105%	231,561,905	224,457,580	97%	97%

Exhibit 5b
Continental Casualty Company
Preferred Solution - Policy Forms without Lifetime Benefits & with Standard Inflation
Nationwide 58/85 Test with Increase
Nationwide Historical and Projected Premiums Restated with Approved Pennsylvania Rate Increases

1	Accumulated value of initial earned premium	1,960,061,287	x	58%	=	1,136,835,546
2a	Accumulated value of earned premium	2,186,955,177				
2b	Accumulated value of prior premium rate schedule increases (2a - 1)	226,893,890	x	85%	=	192,859,806
3	Present value of future projected initial earned premium	249,647,888	x	58%	=	144,795,775
4a	Present value of future projected premium	716,858,471				
4b	Present value of future projected premium in excess of the projected initial earned premiums (4a - 3)	467,210,584	x	85%	=	397,128,996
5	Lifetime Earned Premium Times Prescribed Factors: Sum of 1, 2b, 3, and 4b					1,871,620,124
6a	Accumulated value of incurred claims without the inclusion of active life reserves					1,034,083,219
6b	Present value of future projected incurred claims without the inclusion of active life reserves					2,160,541,233
7	Lifetime Incurred Claims with Rate Increase: Sum of 6a and 6b					3,194,624,452
8	Test: 7 is not less than 5					TRUE

All values are accumulated or discounted at the average maximum valuation interest rate for contract reserves which is a constant 4.5%.
The incurred claims (items 6a and 6b) were increased by 10% to reflect moderately adverse experience.



Louis Scarim, ASA, MAAA
Actuarial Consulting Director
Long Term Care Pricing
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May 5, 2022

Michael Humphreys
Acting Insurance Commissioner
Pennsylvania Insurance Department
1326 Strawberry Square
Harrisburg, PA 17120

Re: Continental Casualty Company
(NAIC #218-20443, FEIN#36-2114545)
SERFF Tracking # CNAB-133052107
Rate Increase Filing for "Preferred Solution" Individual Long Term Care Policy Forms
(Simple and Compound Automatic Increase Benefit Rider Policies Only):

Dear Mr. Lavery:

Thank you for your review of the above referenced filing. This letter is in response to your objection dated February 25, 2022. The objection items are restated below in *italics*, with responses in **blue**:

1. *Please provide a table in an Excel spreadsheet (perhaps similar to Exhibit 3a – Lifetime Benefits & Standard Inflation) for this nationwide block of Preferred Solution policies which shows the historical and projected nationwide earned premium and incurred claims on a calendar year basis assuming no rate increase is granted. Please restate the nationwide historical and projected earned premium so that the business from inception appears to have all been earned at the current Pennsylvania rate level. Answer this question considering only the policies represented in Exhibit 3a (i.e. Lifetime Benefits & Standard Inflation).*

Please see the attached **"Item 1 – Exhibit 3a_Current Pennsylvania Rate Level.xlsx"** worksheet, containing the adjusted Nationwide exhibit for policies With Lifetime Benefits & With Standard Inflation. The historical and projected earned premiums have been restated in all years going back to inception, in order to demonstrate the exhibit on a Pennsylvania rate level-basis.

2. *Please provide a table in an Excel spreadsheet (perhaps similar to Exhibit 3a – Lifetime Benefits & Standard Inflation) for this nationwide block of Preferred Solution policies which shows the historical and projected nationwide earned premium and incurred claims on a calendar year basis assuming no rate increase is granted. Please restate the nationwide historical and projected earned premium so that the business from inception appears to have all been earned at the original rate level. The original rate level is the rate level that would have existed if no increase was ever granted on any policy nationwide. Answer this*

question considering only the policies represented in Exhibit 3a (i.e. Lifetime Benefits & Standard Inflation).

Please see the attached [“Item 2 – Exhibit 3a_Original Rate Level.xlsx”](#) worksheet, containing the adjusted Nationwide exhibit for policies With Lifetime Benefits & With Standard Inflation, with the experience restated to the Original Rate Level (i.e., with all rate increase assumptions removed).

3. Please provide the percent of active Preferred Solution policyholders remaining on a nationwide basis. How many Preferred Solution policies were issued nationwide? How many policies remain in force nationwide? Answer this question considering only the policies represented in Exhibit 3a (i.e. Lifetime Benefits & Standard Inflation).

Please see the figures shown below:

Total Policies Issued	32,537
Total Policies Inforce	16,354
Percent of Policies Remaining Inforce	50.3%

4. Please provide the cumulative weighted average increase granted on policies in force on this block in PA. Answer this question considering only the policies represented in Exhibit 3a (i.e. Lifetime Benefits & Standard Inflation).

For PA Preferred Solution policies With Lifetime Benefits & With Standard Inflation (represented in Exhibit 3a), the cumulative rate increase approved amount is 133.1%.

5. Please provide a table in an Excel spreadsheet (perhaps similar to Exhibit 3b – without Lifetime Benefits & with Standard Inflation) for this nationwide block of Preferred Solution policies which shows the historical and projected nationwide earned premium and incurred claims on a calendar year basis assuming no rate increase is granted. Please restate the nationwide historical and projected earned premium so that the business from inception appears to have all been earned at the current Pennsylvania rate level. Answer this question considering only the policies represented in Exhibit 3b (i.e. without Lifetime Benefits & with Standard Inflation).

Please see the attached [“Item 5 – Exhibit 3b_Current Pennsylvania Rate Level.xlsx”](#) worksheet, containing the adjusted Nationwide exhibit for policies With Lifetime Benefits & With Standard Inflation. The historical and projected earned premiums have been restated in all years going back to inception, in order to demonstrate the exhibit on a Pennsylvania rate level-basis.

6. Please provide a table in an Excel spreadsheet (perhaps similar to Exhibit 3b – without Lifetime Benefits & with Standard Inflation) for this nationwide block of Preferred Solution policies which shows the historical and projected nationwide earned premium and incurred claims on a calendar year basis assuming no rate increase is granted. Please restate the nationwide historical and projected earned premium so that the business from inception appears to have all been earned at the original rate level. The original rate level is the rate level that would have existed if no increase was ever granted on any policy nationwide. Answer this question considering only the policies represented in Exhibit 3b (i.e. without Lifetime Benefits & with Standard Inflation).

Please see the attached **[“Item 6 – Exhibit 3b_Original Rate Level.xlsx”](#)** worksheet, containing the adjusted Nationwide exhibit for policies Without Lifetime Benefits & With Standard Inflation, with the experience restated to the Original Rate Level (i.e., with all rate increase assumptions removed).

7. *Please provide the percent of active Preferred Solution policyholders remaining on a nationwide basis. How many Preferred Solution policies were issued nationwide? How many policies remain in force nationwide? Answer this question considering only the policies represented in Exhibit 3b (i.e. without Lifetime Benefits & with Standard Inflation).*

Please see the figures shown below:

Total Policies Issued	57,140
Total Policies Inforce	25,655
Percent of Policies Remaining Inforce	44.9%

8. *Please provide the cumulative weighted average increase granted on policies in force on this block in PA. Answer this question considering only the policies represented in Exhibit 3b (i.e. without Lifetime Benefits & with Standard Inflation).*

For PA Preferred Solution policies Without Lifetime Benefits & With Standard Inflation (represented in Exhibit 3b), the cumulative rate increase approved amount is 133.1%.

9. *Please provide a listing of the past requested increases and approved increases by state for this block. Also include a column showing the cumulative increases approved in each state to date.*

Please see the attached **[“Item 9 - State Status Listing - Preferred Solution \(as of 05.03.2022\).xlsx”](#)** worksheet, containing the rate increase history by state.

10. *Please provide the letter that will be sent to policyholders to inform them of the increase and their available options.*

Please see the two attached notification letters to inform policyholders (depending if the policy is subject to the rate increase):

- With Rate Increase: **[“Item 10 – Notification_ILTC_RI_NW_2021 11042021.pdf”](#)**
- Without Rate Increase: **[“Item 10 – Notification_ILTC_NoRI_NW_2021 11042021.pdf”](#)**

11. *How many policies with standard inflation and lifetime benefits are in force in this block? How many were issued on or after 9-15-2002?*

For the block of PA Preferred Solution policies With Standard Inflation & With Lifetime Benefits that are eligible for rate increases, 1,394 policies are in force, including 272 policies issued on or after 9/15/2002.

12. *How many policies with standard inflation but without lifetime benefits are in force in this block? How many were issued on or after 9-15-2002?*

For the block of PA Preferred Solution policies With Standard Inflation & Without Lifetime Benefits that are eligible for rate increases, 2,389 policies are in force, including 494 policies issued on or after 9/15/2002.

13. *How many policies without standard inflation but with lifetime benefits are in force in this block? How many were issued on or after 9-15-2002?*

For the block of PA Preferred Solution policies Without Standard Inflation & With Lifetime Benefits that are eligible for rate increases, 205 policies are in force, including 48 policies issued on or after 9/15/2002.

14. *How many policies without standard inflation and without lifetime benefits are in force in this block? How many were issued on or after 9-15-2002?*

For the block of PA Preferred Solution policies Without Standard Inflation & Without Lifetime Benefits that are eligible for rate increases, 833 policies are in force, including 156 policies issued on or after 9/15/2002.

15. *Please describe the inflation options available on this block.*

Two optional automatic increase benefit riders were available on these policy forms; a 5% simple lifetime benefit and a 5% compound lifetime benefit.

16. *Are all policies with inflation adjustment affected by this increase? If not, which categories are not affected by this increase?*

Yes – The requested rate increase is intended for all policies with Inflation benefits. Within this group, the larger requested increase (251.3%) would apply to policies With Lifetime Benefits to address the significantly-higher claims risk; the lower requested increase (36.4%) would apply to policies Without Lifetime Benefits. For both of the Inflation sub-groups, we are targeting a lifetime loss ratio of 100% for each bucket separately, with the respective rate increases reflected in each projection (Exhibits 3a and 3b).

Please note that Non-Inflation policies are not affected by this rate increase. As referenced in Response #10 above, the Non-Inflation group would still receive a special “No Increase” notification letter, so that all policyholders are informed of their options.

17. *Continental Casualty has offered the surrender option in the past. The company also offered a conversion option that provided a paid-up benefit of 100% of premium paid plus a cash payment. What is the approximate percent of policyholders that, when offered a cash surrender option, actually choose to exercise it?*

The pilot program conducted over the past year and a half has resulted in approximately 2% of policyholders receiving a cash surrender offer choosing to exercise it.

18. *The freeze and drop option eliminates future inflation indexing, maintains the current daily benefit, and lowers future premiums to the non-inflation level at the original issue age. What is the approximate average reduction in premium or what is the approximate range of premium reduction? An exact calculation is not required.*

The premium load for the automatic increase benefit rider varied by many variables including inflation type (simple or compound), benefit period, rating group, home health care level, and issue age.

A reasonable estimate for the average reduction in premium under the freeze and drop option is 50%.

19. *The actuarial memo states that these policies were sold nationally from 1998 through 2003. When were they sold in PA?*

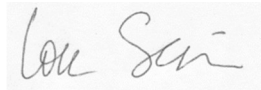
In Pennsylvania, the Preferred Solution policies were sold and issued in the years 1998-2003.

20. *Say a policyholder can purchase \$100 a day without inflation for \$350 per annum. He can purchase the same coverage with 5% compound inflation for \$750 per year. Say he purchases the inflation coverage for an annual premium of \$750, waits a little over 9 years until his daily benefit inflates to \$155.13 per day, and then invokes the "freeze and drop" option. Would his new premium be (a) \$350, (b) $\$542.96 = (\$155.13/\$100) * (\$350)$, or (c) something else?*

In this scenario, electing the "Freeze and Drop" offer would freeze the policyholder's daily benefit at \$155.13 per day, and the annual premium would drop to the non-inflation premium rate at the original issue age for the original benefit amount. The annual premium rate would drop to \$350.

Please let us know if we can provide additional information to assist in the review of this filing.

Sincerely,

A handwritten signature in black ink, appearing to read "Louis Scarim", is placed over a light gray rectangular background.

Louis Scarim, ASA, MAAA

<<DATE>>

«FNAME» «MI» «LNAME»
«ADDRESS1»
«ADDRESS2»
«CITY» «STATE» «ZIPCODE»

Long-Term Care Insurance Change Offers

Company: <<COMPANY>>
Policy Number: «POLICY NUMBER»

Dear «FNAME» «LNAME»:

Thank you for choosing <<COMPANY>> for your long-term care insurance needs. We value your business and are committed to being here when you need us the most.

Some long-term care insurance policies, issued by «COMPANY», are incurring a premium rate increase. The premium for your long-term care insurance policy number «POLICY NUMBER», issued on <<ISSUE DATE>> is **not increasing at this time**. However, we are offering you a few limited-time options to help manage the cost of paying for long-term care insurance.

Please note the options listed in this letter are time sensitive and require action on your part.

What is my Current Premium?

You currently pay <<CURRENT PREMIUM AMOUNT>> <<FREQUENCY>> for your long-term care insurance policy.

What are my Options?

We offer several options to help manage the cost of paying for long-term care insurance. These options are offered at <<Company>>'s discretion, and not all of them may be available to you in the future and may not be of equal value to you, so please review this information carefully. We encourage you to consult with your financial or other trusted advisor and a tax advisor before making a selection.

1. Convert to a Paid-up Policy

The Increased Contingent Non-Forfeiture Option allows you to stop paying premiums on your policy, and convert to a paid-up policy that has a reduced maximum lifetime benefit. Your reduced maximum lifetime benefits will be equal to 150% of the premiums you have paid to date, capped at your policy's current remaining maximum lifetime benefits.

To select this option, complete the enclosed Option Election Form and return to <<COMPANY>> within 60 days from the date of this notice.

2. Lower Coverage to Reduce Premium

You may have the option to lower your premiums by reducing aspects of your coverage. Please contact us at 1-888-397-5824 to discuss benefit reduction options.

3. Surrender Your Policy Coverage

This option allows you to surrender your Policy in exchange for a one-time cash payment of <<SURRENDER_PMT>>, which is based on the amount of money currently held by <<COMPANY>> to cover future expected benefit payments. If you elect this option, your Policy will be terminated, and <<COMPANY>> will no longer have to pay any benefits, even if you have already received long-term care services. You will no longer have an active insurance Policy, and it will not be eligible for reinstatement. If you elect this option, you may receive a 1099-MISC form for the tax year in which the option was executed. Please refer to the Surrender Option Election Form for additional details.

This option is available only at this time and may not be available again in the future. To select this option, complete the enclosed Surrender Option Election Form, **sign it and have it notarized** and return to <<COMPANY>> within 60 days from the date of this notice.

IMPORTANT – This option may result in a taxable event for you. Please consult a qualified tax professional or attorney to determine any tax impact to you. <<COMPANY>> does not provide tax advice.

Time to Reverse Decision

If you opt to reduce your benefits or surrender your coverage, your request to reverse any such decision must be in writing, signed by you, and received by us no more than 30 days after the date of our written confirmation of your change.

Choose the Option That is Best for You

As noted above, we are writing to advise you of **voluntary** benefit change options. If you wish to retain your current coverage without changes, you do not need to take action at this time. If you continue to pay your premium at the current amount, the terms of your coverage will not change.

We recommend that you carefully review the options available to you and contact us if you have questions. We encourage you to carefully evaluate your individual situation, the current and projected cost of care in your area, and consider speaking to your family or to a trusted financial or tax adviser before making changes to your coverage. All available options may not be of equal value. In addition, since <<COMPANY>> sold policies with varying benefits to insureds of different ages, these options may be of different value to other insureds.

Please be reminded that, under the terms of your Policy, premium rates are not guaranteed. We regularly monitor experience on long-term care insurance policies and may need to implement increases in the future.

For more information regarding the options described in this letter or if you have any questions, please contact our customer service team at 1-888-397-5824 Monday through Friday, 8:00am to 5:00pm Central Time.

Sincerely,

<<OPERATIONS MANAGER NAME AND TITLE>>

Coverage Change Option Election Form

Policyholder: <<FNAME>> <<LNAME>>

Policy Number: <<POLICY NUMBER>>

To keep your existing coverage, you do not need to take any action.

If you would like to change your coverage, check the corresponding box to indicate your choice, then **sign, date and return to <<COMPANY>> within 60 days from the date of this notice.** This form can be returned via mail to the address below or via fax at 952-983-5193.

Current Coverage Limits (as of <<DATE>>. Coverage changes made after this date are not reflected)

Current <<FREQUENCY>> Premium	\$<<R_DEFAULT_MODAL_PREM>>
Current Daily Maximum Benefit	Up to \$<<CURRENT_DMB>> per day
Remaining Maximum Lifetime Benefit	<<MAXIMUM_LIFETIME_BENEFIT>>
Automatic Increase Benefit	<<ABI_TYPE>>

Options

Check Box	Change Description	New Daily Maximum Benefit	New Maximum Lifetime Benefit	Cash Payment	New <<FREQUENCY>> Premium
<input type="checkbox"/>	Increased Contingent Non-forfeiture ("ICNF")	\$<<CURRENT_DMB>>	\$<<ICNF_LTM*>>	None	\$0.00

*Note: ICNF Maximum Lifetime Benefit is based upon premiums paid as of <<DATE>> and will be finalized once the election has been processed

Signature

Date

Please note:

- You should consider speaking to your family or to a trusted financial adviser before making changes to your coverage. You should also consult a qualified tax professional or attorney to determine any tax impact to you. <<COMPANY>> does not provide tax advice.
- If you have a limited pay policy, please consider how many more premium payments you have left before making changes to your policy.
- If you currently have the Shared Advantage Benefit and are going to make a coverage change, your spouse may need to make the same coverage change.
- Mail your completed form notarization to the following address:

<<COMPANY>> Individual Long-Term Care
P.O Box 64912
St. Paul MN 55164-0912

Surrender Option Election Form

Policyholder: <<FNAME>> <<LNAME>> **Policy Number:** <<POLICY NUMBER>>

To keep your existing coverage, you do not need to take any action.

If you would like to surrender your Policy, check the box on this page, then **sign, date, obtain notarization and return to <<COMPANY>> within 60 days from the date of this notice.** This form can be returned via mail to the address on the back of this form or via fax at 952-983-5193. Please see the other side of this form for additional information.

Current Coverage Limits (as of <<DATE>>. Coverage changes made after this date are not reflected)	
Current <<FREQUENCY>> Premium	\$<<R_DEFAULT_MODAL_PREM>>
Current Daily Maximum Benefit	Up to \$<<CURRENT_DMB>> per day
Remaining Maximum Lifetime Benefit	<<MAXIMUM_LIFETIME_BENEFIT>>
Automatic Increase Benefit	<<ABI_TYPE>>

The surrender option offered herein is nontransferable and void upon death of the named insured. Any person who knowingly and with the intent to defraud the insurance company by electing to surrender this long term care policy and is not the named insured or legal POA is committing a fraudulent act, which is a crime, and subject to criminal and civil penalties.

Options					
Check Box	Change Description	New Daily Maximum Benefit	New Maximum Lifetime Benefit	Cash Payment	New <<FREQUENCY>> Premium
<input type="checkbox"/>	Surrender Option	\$0.00	\$0.00	<<SURRENDER_PMT>>	\$0.00

THIS FORM MUST BE NOTARIZED

Signature
Social Security Number: _____
(Required for 1099MISC)

Date
Phone Number: _____
(Required for possible verification call)

Please Note

- The Surrender Options is non-transferrable and can only be elected by the named insured or legal Power of Attorney if the insured has been diagnosis with a cognitive impairment. Evidence of such diagnosis may be required.
- Some elections will be subject to an additional verbal verification confirmation.
- You should consider speaking to your family or to a trusted financial adviser before making changes to your coverage. You should also consult a qualified tax professional or attorney to determine any tax impact to you. <<COMPANY>> does not provide tax advice.
- If you have a limited pay policy, please consider how many more premium payments you have left before making changes to your policy.
- If you currently have the Shared Advantage Benefit and are going to make a coverage change, your spouse may need to make the same coverage change.
- Mail your completed form with proper notarization to the following address:

<<COMPANY>> Individual Long-Term Care
P.O Box 64912
St. Paul MN 55164-0912

P.O Box 64912
St. Paul MN 55164-0912
1-888-397-5824
Fax: 952-983-5193

<<DATE>>

«FNAME» «MI» «LNAME»
«ADDRESS1»
«ADDRESS2»
«CITY» «STATE» «ZIPCODE»

Long-Term Care Insurance Premium Adjustment Notice

Company: <<COMPANY>>
Policy Number: «POLICY NUMBER»

Dear «FNAME» «LNAME»:

Thank you for choosing <<COMPANY>> for your long-term care insurance needs. We value your business and are committed to being here when you need us the most.

This letter is to inform you that the premium for your long-term care insurance coverage, issued by «COMPANY» on <<ISSUE DATE>>, is going to increase. This letter explains the amount and timing of your premium increase, and the options available to reduce the impact of the premium increase.

How much is my Premium Increase and when does my Bill Increase?

You currently pay <<CURRENT PREMIUM AMOUNT>> <<FREQUENCY>>. This premium amount will increase on the first premium due date on or after <<POLICY_INCR_EFF_DATE>>. Your premium will change as follows:

<u>Rate Increase Effective Date</u>	<u>Percentage Increase</u>	<u>New <<FREQUENCY>> Premium</u>
<<R_POLICY_OFFER_EFF_DATE>>	<<RATE_INCREASE_PERCENTAGE>>	<<R_DEFAULT_MODAL_PREM>>

Why is my Premium Increasing?

The decision to implement a premium increase is a difficult one. <<COMPANY>>, like other long-term care insurers, used certain assumptions when originally setting the premium rate for your policy. These assumptions used the best available information at that time about a variety of factors, including the expected lifespan of Policy holders, the number of insureds going on claim, the length of time insureds would be on claim, and the cost of receiving long-term care services. These assumptions were best estimates of future experience for these policies. Unfortunately, actual experience developed differently than originally expected. More policyholders are utilizing long-term care than expected and the cost of care is higher than expected. Therefore, we have determined that we must increase premiums to reflect the future claim expectations on these policies.

The premium increase has been filed with the state in which your policy was issued, and we are implementing this premium increase in accordance with the laws and regulations of this state. The increase is not due to a change in your health, your age, or your claims history. No individual policyholder has been singled out for a rate increase. Please be reminded that, under the terms of your policy, premium rates are not guaranteed and may be increased again in the future. We will continue to monitor experience on long-term care insurance policies and may need to implement additional increases in the future.

What are my Options?

<<COMPANY>> understands that a rate increase can be difficult, and offers a variety of options to help manage or avoid the increase. These options may not be of equal value to you, so please review this information carefully. We encourage you to consult with your financial or other trusted advisor and a tax advisor before making a selection.

1. Pay the New Premium Amount and Maintain Existing Coverage

If you wish to retain your current coverage without changes, you do not need to take action at this time. Your new increased premium will be reflected on your bill or, if you pay via electronic funds transfer, the withdrawal amount will be adjusted to reflect the premium increase. If you continue to pay your premium at the new amount the terms of your coverage will not change.

2. Convert to a Paid-up Policy

The Increased Contingent Non-Forfeiture option allows you to stop paying premiums on your policy, and convert to a paid-up policy that has a reduced maximum lifetime benefit. Your reduced maximum lifetime benefits will be equal to 150% of the premiums you have paid to date, capped at your policy's current remaining maximum lifetime benefits.

To select this option, complete the enclosed Option Election Form and return to <<COMPANY>> by <<RATE_INC_EFF_DATE + 60 DAY>>.

3. Lower Coverage to Reduce the Impact of the Premium Increase

<<**Remove the Automatic Increase Benefit rider.** Your policy includes an automatic increase benefit rider, which has increased your policy's daily maximum benefit amount by 5% per year to protect against inflation. You can reduce your premium if you discontinue the automatic increase benefit rider. Be assured that your policy's current benefit levels, which include the automatic increases that have already occurred, will remain intact. Please refer to the Option Election Form for additional details>>.

<<Reduce your Maximum Lifetime Benefit. Your policy currently has a maximum lifetime benefit of <<MAXIMUM_LIFETIME_BENEFIT>>, which you can reduce to <<MAXIMUM_LIFETIME_BENEFIT – 1 STEP>>. The total Maximum Lifetime Benefit would be based on your daily benefit amount times <<MAXIMUM_LIFETIME_BENEFIT – 1 STEP IN DAYS>>. Please refer to the Coverage Change Option Election Form for additional details>>.

Change or Drop other Benefit Features. You may have the option to lower your premiums by reducing aspects of your coverage. Please contact us at 1-888-397-5824 to discuss benefit reduction options.

4. <<Surrender Your Policy Coverage

This option allows you to surrender your Policy in exchange for a one-time cash payment of <<SURRENDER_PMT>>, which is based on the amount of money currently held by <<COMPANY>> to cover future expected benefit payments. If you elect this option, your Policy will be terminated, and <<COMPANY>> will no longer have to pay any benefits, even if you have already received long-term care services. You will no longer have an active insurance Policy, and it will not be eligible for reinstatement. If you elect this option, you may receive a 1099-MISC form for the tax year in which the option was executed. Please refer to the Surrender Option Election Form for additional details.

This option is available only at this time and may not be available again in the future. To select this option, **complete** the enclosed Surrender Option Election Form, **sign it and have it notarized** and return to <<COMPANY>> by <<RATE_INC_EFF_DATE + 60 DAY>>.

IMPORTANT – This option may result in a taxable event for you. Please consult a qualified tax professional or attorney to determine any tax impact to you. <COMPANY>> does not provide tax advice>>.

Time to Reverse Decision

If you opt to change your coverage, your request to reverse any such decision must be in writing, signed by you, and received by us no more than 30 days after the date of our written confirmation of your coverage change.

Choose the Option That is Best for You

We recommend that you carefully review the options available to you and contact us if you have questions. We encourage you to carefully evaluate your individual situation, the current and projected cost of care in your area, and consider speaking to your family or to a trusted financial or tax adviser before making changes to your coverage. All available options may not be of equal value. In addition, since <<COMPANY>> sold policies with varying benefits to insureds of different ages, these options may be of different value to other insureds.

Please be reminded that, under the terms of your Policy, premium rates are not guaranteed. We regularly monitor experience on long-term care insurance policies and may need to implement increases in the future.

For more information regarding the options described in this letter or if you have any questions, please contact our customer service team at 1-888-397-5824 Monday through Friday, 8:00am to 5:00pm Central Time.

This letter is not a bill. However, we recommend that you keep a copy of this letter with your Policy.

Sincerely,

<<OPERATIONS MANAGER NAME AND TITLE>>

Coverage Change Option Election Form

Policyholder: <<FNAME>> <<LNAME>>

Policy Number: <<POLICY NUMBER>>

To keep your existing coverage, you do not need to take any action.

If you would like to change your coverage, check the corresponding box to indicate your choice, then **sign, date and return** to <<COMPANY>> by <<RATE_INC_EFF_DATE + 60 DAY>>. This form can be returned via mail to the address on the back of this form or via fax at 952-983-5193. Please see the other side of this form for additional information.

Current Coverage Limits (as of <<DATE>>. Coverage changes made after this date are not reflected)	
New <<FREQUENCY>> Premium which includes the rate increase	\$<<R_DEFAULT_MODAL_PREM>>
Current Daily Maximum Benefit	Up to \$<<CURRENT_DMB>> per day
Remaining Maximum Lifetime Benefit	<<MAXIMUM_LIFETIME_BENEFIT>>
Automatic Increase Benefit	<<ABI_TYPE>>

Options					
Check Box	Change Description	New Daily Maximum Benefit	New Maximum Lifetime Benefit	Cash Payment	New <<FREQUENCY>> Premium
<input type="checkbox"/>	Increased Contingent Non-forfeiture ("ICNF")	\$<<CURRENT_DMB>>	\$<<ICNF_LTM*>>	None	\$0.00
<input type="checkbox"/>	Remove the Automatic Increase Benefit rider and retain your current daily maximum benefit amounts reflected above	\$<<CURRENT_DMB>>	\$<<ABI_REDUCTION_LTM>>	None	\$<<ABI_REDUCTION_MODAL_PREMIUM>>
<input type="checkbox"/>	Reduce your maximum lifetime benefit period from <<MAXIMUM_LIFETIME_BENEFIT>> to <<MAXIMUM_LIFETIME_BENEFIT - 1 STEP>> years	\$<<CURRENT_DMB>>	\$<<LTM_REDUCTION_LTM>>	None	\$<<LTM_REDUCTION_MODAL_PREMIUM>>

*Note: ICNF Maximum Lifetime Benefit is based upon premiums paid as of <<DATE>> and will be finalized once the election has been processed

Signature

Date

Please note:

- You should consider speaking to your family or to a trusted financial adviser before making changes to your coverage. You should also consult a qualified tax professional or attorney to determine any tax impact to you. <<COMPANY>> does not provide tax advice.
- If you have a limited pay policy, please consider how many more premium payments you have left before making changes to your policy.
- If you currently have the Shared Advantage Benefit and are going to make a coverage change, your spouse may need to make the same coverage change.
- Mail your completed form to the following address:

<<COMPANY>> Individual Long-Term Care
P.O Box 64912
St. Paul MN 55164-0912

Surrender Option Election Form

Policyholder: <<FNAME>> <<LNAME>> **Policy Number:** <<POLICY NUMBER>>

To keep your existing coverage, you do not need to take any action.

If you would like to surrender your Policy, check the box on this page, then **sign, date, obtain notarization and return to <<COMPANY>> by <<RATE_INC_EFF_DATE + 60 DAY>>**. This form can be returned via mail to the address on the back of this form or via fax at 952-983-5193. Please see the other side of this form for additional information.

Current Coverage Limits (as of <<DATE>>. Coverage changes made after this date are not reflected)

New <<FREQUENCY>> Premium which includes the rate increase	\$<<R_DEFAULT_MODAL_PREM>>
Current Daily Maximum Benefit	Up to \$<<CURRENT_DMB>> per day
Remaining Maximum Lifetime Benefit	<<MAXIMUM_LIFETIME_BENEFIT>>
Automatic Increase Benefit	<<ABI_TYPE>>

The surrender option offered herein is nontransferable and void upon death of the named insured. Any person who knowingly and with the intent to defraud the insurance company by electing to surrender this long term care policy and is not the named insured or legal POA is committing a fraudulent act, which is a crime, and subject to criminal and civil penalties.

Options

Check Box	Change Description	New Daily Maximum Benefit	New Maximum Lifetime Benefit	Cash Payment	New <<FREQUENCY>> Premium
<input type="checkbox"/>	Surrender Option	\$0.00	\$0.00	<<SURRENDER_PMT>>	\$0.00

THIS FORM MUST BE NOTARIZED

Signature

Social Security Number: _____
(Required for 1099MISC)

Date

Phone Number: _____
(Required for possible verification call)

Please Note

- The Surrender Options is non-transferrable and can only be elected by the named insured or legal Power of Attorney if the insured has been diagnosis with a cognitive impairment. Evidence of such diagnosis may be required.
- Some elections will be subject to an additional verbal verification confirmation.
- You should consider speaking to your family or to a trusted financial adviser before making changes to your coverage. You should also consult a qualified tax professional or attorney to determine any tax impact to you. <<COMPANY>> does not provide tax advice.
- If you have a limited pay policy, please consider how many more premium payments you have left before making changes to your policy.
- If you currently have the Shared Advantage Benefit and are going to make a coverage change, your spouse may need to make the same coverage change.
- Mail your completed form with proper notarization to the following address:

<<COMPANY>> Individual Long-Term Care
P.O Box 64912
St. Paul MN 55164-0912



Louis Scarim, ASA, MAAA
Actuarial Consulting Director
Long Term Care Pricing
Telephone 312-822-6179
Email louis.scarim@cna.com

August 8, 2022

Michael Hibbert
Pennsylvania Insurance Department
1326 Strawberry Square
Harrisburg, PA 17120

Re: Continental Casualty Company
(NAIC #218-20443, FEIN#36-2114545)
SERFF Tracking # CNAB-133052107
Rate Increase Filing for "Preferred Solution" Individual Long Term Care Policy Forms
(Simple and Compound Automatic Increase Benefit Rider Policies Only):

Dear Mr. Hibbert:

Thank you for your review of the above referenced filing. This letter is in response to your objection dated July 29th, 2022. The objection items are restated below in *italics*, with responses in [blue](#):

1. *The Department cannot approve your requested increase but we can make the following offer.*
 1. *For non-lifetime policies with standard inflation, we can approve an aggregate 36.4% increase.*
 2. *For lifetime policies with standard inflation, we can approve an aggregate 99.9% increase.*

Our current guidelines do not allow us to approve increases of greater than 30% on any policyholder in any calendar year. Please propose a series of increases staged over no more than four years such that the cumulative aggregate value of the proposed increases is equal to the approvable increase shown above and no increase on any policy in any year is greater than 30%.

[Thank you for your consideration of this filing. Although we believe more can be justified on the lifetime policies with standard inflation, we are agreeable to this offer.](#)

[Please note that we have adjusted the rate increase for non-lifetime policies with standard inflation to reflect the cost of waiting associated with spreading the increase over multiple years.](#)

- [Non-lifetime policies with standard inflation: 30% in year 1; 6.5% in year 2, for a total cumulative increase of 38.5%.](#)
- [Lifetime policies with standard inflation: 30% in years 1 & 2; 18.3% in year 3, for a total cumulative increase of 99.9%.](#)

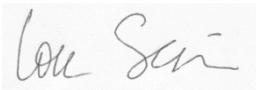
2. *Lastly, please provide a seriatim listing of the 3,783 Continental Casualty policies in this block in Excel. Each row within the worksheet must contain the policy's unique identification number, form number, issue age, issue date, inflation status indicator, benefit period, and Continental Casualty's suggested premium increase in each year of the proposed implementation period.*

Please see attached seriatim listing labeled "PA Seriatim Insured – PS Final.xlsx".

We also have provided a summary of the impact of the cost of waiting on the non-lifetime policies with standard inflation along with the nationwide experience exhibit that shows the lifetime loss ratio with the rate increase spread over two years is the same as the lifetime loss ratio with the single rate increase.

Please let us know if we can provide additional information to assist in the review of this filing. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Louis Scarim", is placed over a light gray rectangular background.

Louis Scarim, ASA, MAAA

Pennsylvania Cost of Waiting Analysis

Filing	Product	Benefit Cohort	Requested Rate Increase	NW LLR with Requested Increase	2-Year Implementation that Results in Same NW LLR	What the Second Year Increase Would be Without the Cost of Waiting
Preferred Solution	PS	Infl+Non-Life	36.4%	100.0%	30%x6.5%=38.45%	4.92%

Exhibit 3b
Continental Casualty Company
Preferred Solution - Policy Forms without Lifetime Benefits & with Standard Inflation
Nationwide Historical and Projected Experience Restated with Approved Pennsylvania Rate Increases
NW Lifetime Loss Ratio Exhibit Using 2-Year Rate Increase Implementation

Year	Without Rate Increase				With 2-Year Increase (30% followed by 6.5%)			
	Earned Premium	Incurred Claims	Annual Loss Ratio	Cumulative Loss Ratio	Earned Premium	Incurred Claims	Annual Loss Ratio	Cumulative Loss Ratio
Historical								
1988	-	-	0%	0%	-	-	0%	0%
1989	-	-	0%	0%	-	-	0%	0%
1990	-	-	0%	0%	-	-	0%	0%
1991	-	-	0%	0%	-	-	0%	0%
1992	-	-	0%	0%	-	-	0%	0%
1993	-	-	0%	0%	-	-	0%	0%
1994	-	-	0%	0%	-	-	0%	0%
1995	-	-	0%	0%	-	-	0%	0%
1996	-	-	0%	0%	-	-	0%	0%
1997	-	-	0%	0%	-	-	0%	0%
1998	(3,742)	-	0%	0%	(3,742)	-	0%	0%
1999	3,983,360	4,279	0%	0%	3,983,360	4,279	0%	0%
2000	20,913,973	204,107	1%	1%	20,913,973	204,107	1%	1%
2001	40,769,070	1,702,916	4%	3%	40,769,070	1,702,916	4%	3%
2002	64,119,316	2,570,387	4%	3%	64,119,316	2,570,387	4%	3%
2003	81,028,574	3,257,423	4%	4%	81,028,574	3,257,423	4%	4%
2004	76,558,619	5,595,628	7%	5%	76,558,619	5,595,628	7%	5%
2005	74,945,399	5,733,395	8%	5%	74,945,399	5,733,395	8%	5%
2006	68,653,858	10,869,924	16%	7%	68,653,858	10,869,924	16%	7%
2007	68,940,619	12,299,060	18%	8%	68,940,619	12,299,060	18%	8%
2008	67,031,727	18,443,523	28%	11%	67,031,727	18,443,523	28%	11%
2009	64,757,728	19,049,895	29%	13%	64,757,728	19,049,895	29%	13%
2010	62,621,129	25,339,417	40%	15%	62,621,129	25,339,417	40%	15%
2011	60,725,379	29,679,648	49%	18%	60,725,379	29,679,648	49%	18%
2012	57,989,795	38,260,719	66%	21%	57,989,795	38,260,719	66%	21%
2013	59,496,701	44,532,709	75%	25%	59,496,701	44,532,709	75%	25%
2014	62,451,276	58,535,292	94%	30%	62,451,276	58,535,292	94%	30%
2015	67,167,199	60,895,321	91%	34%	67,167,199	60,895,321	91%	34%
2016	71,411,311	72,876,949	102%	38%	71,411,311	72,876,949	102%	38%
2017	75,668,271	72,646,546	96%	42%	75,668,271	72,646,546	96%	42%
2018	74,394,322	75,929,873	102%	46%	74,394,322	75,929,873	102%	46%
2019	66,413,715	79,340,235	119%	49%	66,413,715	79,340,235	119%	49%
2020	65,873,405	89,862,744	136%	54%	65,873,405	89,862,744	136%	54%
Total Actual	1,355,911,002	727,629,991	54%	54%	1,355,911,002	727,629,991	54%	54%
Projected								
2021	75,125,355	96,816,443	129%	58%	75,125,355	96,816,443	129%	58%
2022	71,219,180	97,785,076	137%	61%	74,903,490	101,873,470	136%	62%
2023	67,201,678	108,024,524	161%	66%	83,313,525	109,310,984	131%	65%
2024	62,992,251	118,134,593	188%	70%	82,818,056	112,904,079	136%	69%
2025	58,690,371	127,783,322	218%	75%	77,586,041	122,050,694	157%	73%
2026	54,322,647	137,275,220	253%	81%	71,812,105	131,116,765	183%	77%
2027	49,910,312	146,389,186	293%	87%	65,979,196	139,821,860	212%	82%
2028	45,474,300	154,320,872	339%	93%	60,114,987	147,397,714	245%	87%
2029	41,066,485	160,612,202	391%	100%	54,288,053	153,406,801	283%	92%
2030	36,811,518	165,214,591	449%	106%	48,663,178	157,802,718	324%	98%
2031	32,766,893	168,071,240	513%	113%	43,316,364	160,531,211	371%	103%
2032	28,950,023	169,053,472	584%	120%	38,270,633	161,469,379	422%	109%
2033	25,385,779	168,133,384	662%	127%	33,558,862	160,590,567	479%	115%
2034	22,084,336	165,034,186	747%	134%	29,194,504	157,630,406	540%	120%
2035	19,056,590	159,702,974	838%	140%	25,191,958	152,538,363	606%	126%
2036	16,309,591	152,386,789	934%	146%	21,560,548	145,550,398	675%	131%
2037	13,842,620	143,578,503	1037%	152%	18,299,323	137,137,270	749%	136%
2038	11,647,055	133,628,686	1147%	158%	15,396,885	127,633,822	829%	141%
2039	9,712,623	122,653,946	1263%	163%	12,839,653	117,151,433	912%	145%
2040	8,027,866	111,028,133	1383%	168%	10,612,479	106,047,178	999%	149%
2041	6,577,317	99,215,492	1508%	172%	8,694,919	94,764,477	1090%	153%
2042	5,341,929	87,582,331	1640%	176%	7,061,791	83,653,204	1185%	156%
2043	4,300,226	76,362,564	1776%	179%	5,684,706	72,936,779	1283%	159%
2044	3,431,270	65,646,576	1913%	182%	4,535,985	62,701,533	1382%	161%
2045	2,715,517	55,699,632	2051%	184%	3,589,792	53,200,830	1482%	163%
2046	2,132,832	46,853,355	2197%	186%	2,819,508	44,751,416	1587%	165%
2047	1,663,378	39,149,284	2354%	188%	2,198,911	37,392,965	1701%	166%
2048	1,288,854	32,471,079	2519%	189%	1,703,808	31,014,358	1820%	167%
2049	992,768	26,724,948	2692%	190%	1,312,395	25,526,011	1945%	168%
2050	760,839	21,803,242	2866%	191%	1,005,795	20,825,103	2071%	169%
2051	580,677	17,686,342	3046%	192%	767,630	16,892,896	2201%	170%
2052	441,692	14,296,934	3237%	193%	583,897	13,655,544	2339%	170%
2053	335,106	11,521,338	3438%	193%	442,995	11,004,466	2484%	171%
2054	253,736	9,273,867	3655%	194%	335,428	8,857,822	2641%	171%
2055	191,791	7,450,699	3885%	194%	253,539	7,116,445	2807%	171%
2056	144,759	5,964,433	4120%	194%	191,365	5,696,856	2977%	172%
2057	109,166	4,767,517	4367%	194%	144,312	4,553,636	3155%	172%
2058	82,270	3,807,406	4628%	195%	108,757	3,636,598	3344%	172%
2059	61,962	3,039,130	4905%	195%	81,911	2,902,789	3544%	172%
2060	46,661	2,431,495	5211%	195%	61,684	2,322,413	3765%	172%
2061	35,127	1,947,644	5545%	195%	46,436	1,860,268	4006%	172%
2062	26,425	1,558,376	5897%	195%	34,933	1,488,464	4261%	172%
2063	19,850	1,240,357	6249%	195%	26,240	1,184,712	4515%	172%
2064	14,886	976,415	6559%	195%	19,678	932,611	4739%	172%
2065	11,134	759,169	6818%	195%	14,719	725,111	4926%	172%
2066	8,303	582,264	7013%	195%	10,976	556,143	5067%	172%
2067	6,171	441,510	7155%	195%	8,158	421,703	5170%	172%
2068	4,577	332,791	7271%	195%	6,051	317,861	5253%	172%
2069	3,394	250,097	7369%	195%	4,487	238,877	5324%	173%
2070	2,513	188,456	7498%	195%	3,323	180,002	5417%	173%
2071	1,855	139,285	7508%	195%	2,452	133,037	5425%	173%
2072	1,368	98,505	7202%	195%	1,808	94,086	5204%	173%
2073	1,005	67,655	6732%	195%	1,329	64,620	4864%	173%
2074	735	45,892	6240%	195%	972	43,833	4509%	173%
2075	535	30,861	5771%	195%	707	29,477	4170%	173%
2076	385	20,614	5350%	195%	509	19,690	3866%	173%
2077	275	13,713	4991%	195%	363	13,098	3606%	173%
2078	193	8,964	4651%	195%	255	8,562	3360%	173%
2079	132	5,642	4267%	195%	175	5,389	3083%	173%
Total Projected	782,189,083	3,446,083,221	441%	441%	984,607,893	3,310,505,236	336%	336%
Total Lifetime	2,138,100,085	4,173,713,212	195%	195%	2,340,518,895	4,038,135,228	173%	173%
Values Accumulated/Discounted to 12/31/2020 at Maximum Statutory Valuation Interest Rates								
Past	2,186,955,177	940,075,654	43%	43%	2,186,955,177	940,075,654	43%	43.0%
Future	581,948,998	2,042,419,598	351%	351%	722,296,173	1,968,527,923	273%	272.5%
Lifetime	2,768,904,175	2,982,495,252	108%	108%	2,909,251,350	2,908,603,577	100%	100.0%